Supreme Court, U.S.
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IN THE

Supreme Court of the United States

PARAMOUNT PICTURES CORPORATION, a Delaware corporation, and HOST INTERNATIONAL, INC., a Delaware corporation,

Petitioners,

—v.—

GEORGE WENDT, an individual, and JOHN RATZENBERGER, an individual,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1) Does the Copyright Act of 1976 preempt a state law right of publicity claim commenced against a copyright holder of a fictional television program and its licensee by actors who portrayed fictional characters in the program who claim that the depiction of those characters evokes the actors' identities?

2) May a state, consistently with the First Amendment, permit actors who have portrayed fictional characters to assert right of publicity claims against the copyright owners of those characters and their licensees on the ground that their later fictional depiction of the characters reminds the public of the actors in their portrayal of the characters?

PARTIES BELOW

The parties before this Court are those set forth in the caption. They are the same parties that appeared in the United States Court of Appeals for the Ninth Circuit.

RULE 29.6 STATEMENT

Pursuant to Rule 29.6 of the Rules of this Court, petitioner Paramount Pictures Corporation, a Delaware corporation, informs the Court that it is a division of Viacom Inc., a publicly traded company. Petitioner Host International, Inc., a Delaware corporation, informs the Court that its parent company, Host Marriott Services Corporation, is a wholly-owned subsidiary of Autogrill S.p.A., a publicly traded company on the Milan Stock Exchange.

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PETITION FOR WRIT OF CERTIORARI

Petitioners respectfully submit that a writ of *certiorari* should issue to review the judgment and opinion of the United States Court of Appeals for the Ninth Circuit in this case, entered on September 22, 1997. Rehearing of that opinion was denied and rehearing *en banc* rejected on December 28, 1999.

OPINIONS BELOW

The August 25, 1993 order and judgment of the United States District Court for the Central District of California (Real, J.) granting summary judgment to Paramount Pictures Corporation ("Paramount") and Host International, Inc. ("Host") and the court's order of the same date making corresponding findings of fact and conclusions of law are both unreported and are reprinted in the Appendix hereto at 31a-37a. The March 16, 1995 opinion of the Court of Appeals for the Ninth Circuit reversing the district court's ruling is unreported and is set forth in the Appendix at 24a-30a. The January 22, 1996 order and judgment of the United States District Court for the Central District of California (Real, J.) granting summary judgment to Paramount and Host and the court's order of the same date making corresponding findings of fact and conclusions of law are unreported and reprinted in the Appendix hereto at 17a-23a. The September 22, 1997 opinion of the Court of Appeals for the Ninth Circuit reversing the district court's order is reported at 125 F.3d 806 (9th Cir. 1997) and is reprinted in the Appendix hereto at 1a-16a. The December 28, 1999 opinion of the Court of Appeals for the Ninth Circuit denying defendants' petition for rehearing and rejecting suggestion for rehearing *en banc* and the dissenting opinion of Kozinski, J. is reported at 197 F.3d 1284 (9th Cir. 1999) and is reprinted in the Appendix hereto at 38a-48a.

JURISDICTION

Jurisdiction of this Court to review the judgment of the court of appeals entered on September 22, 1997 is invoked under 28 U.S.C. § 1254(1) (1994). The court of appeals' decision denying the petition for rehearing and rejecting suggestion for rehearing *en banc* was entered on December 28, 1999. This petition was timely filed within 90 days of the entry of that decision.

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

Relevant sections of the Copyright Act of 1976 and the United States Constitution are set forth in the Appendix at 49a-55a and are listed in the Table of Contents thereto.

STATEMENT OF THE CASE

This case presents the Court with a direct conflict between the Ninth Circuit's sweepingly expansive interpretation of California right of publicity law and federal copyright and First Amendment law. As three judges on the Ninth Circuit recognized as early as 1993 in *White* v. *Samsung Electronics America, Inc.*, 989 F.2d 1512, 1513 (9th Cir. 1993) (Kozinski, J., dissenting from rejection of suggestion for rehearing *en banc*),[1] "[s]omething very dangerous" has been going on in Ninth Circuit right of publicity jurisprudence—something which has now put the Ninth Circuit on a collision course with the copyright jurisprudence of the Seventh Circuit, of California state courts and of other courts throughout the nation, and with First Amendment jurisprudence generally. In *White*, the conflict with copyright law was hypothetical because the copyright owner was not a party to the case and the conflict with the First Amendment

[1] The opinion was joined by Judges O'Scannlain and Kleinfeld. Judge Alarcon dissented on similar grounds.

less pronounced because it concerned commercial speech. In this case, both conflicts have fully ripened. By interpreting California's right of publicity law so broadly as to prevent copyright holders and their licensees from creating and depicting derivative works based on their own copyrighted characters in an entertainment context, the Ninth Circuit has tread on areas protected by both copyright law and the First Amendment in a manner that stifles the very creativity those provisions were designed to foster and protect.

Factual Background

Paramount produced the Emmy award-winning television show "Cheers," which aired on network television from 1982 to 1993 and continues to run in syndication to this day. One of the most popular television comedies of all time, "Cheers" was set in a friendly neighborhood bar of the same name in Boston, Massachusetts, touted to be the kind of place where "everybody knows your name." The familiar cast of characters at the bar has become like family to the show's many fans. The two characters at issue in this case, Norm Peterson, a fat, endearing, oft-unemployed accountant, who always had a beer in his hand, and Cliff Clavin, a dweebish mailman and mamma's boy, who was something of a know-it-all windbag, typically sat together at the end of the bar and engaged in humorous banter.

In 1990, Paramount, which owns the copyright and trademark in "Cheers" and all its characters,[2] granted Host a limited license to set up bars in airports throughout the world using the "Cheers" decor and theme. Host then created

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[2] *See generally Warner Bros.* v. *American Broadcasting Cos.*, 720 F.2d 231, 235 (2d Cir. 1983) (copyright in a show or television program extends to characters in the show or program); *Universal City Studios, Inc.* v. *J.A.R. Sales, Inc.*, 216 U.S.P.Q. 679, 683 (C.D. Cal. 1982) (copyright in motion picture encompasses "expression of that character . . . in other media as well, including three-dimensional expressions such as dolls and other forms of sculpture").

"Cheers" bars that strive to recreate the look and feel of the TV show. The memorabilia on the walls of the bars replicate that on the walls of the "Cheers" bar; "Cheers" episodes are played on multiple television screens in the bar; items on the menu are named after the "Cheers" characters.

The decor of several of the bars also includes two lifesize, animatronic (robotic) regular "customers" named "Hank" and "Bob" that are programmed to move and to speak to each other humorously whenever customers sit within a certain distance from them at the bar. "Hank" and "Bob" are not actual characters from "Cheers." Like the characters "Norm" and "Cliff," however, they sit at the bar with glasses of beer, offering running barroom commentary about the world. In addition, like "Norm" and "Cliff," one of the robots is heavier than the other.

Respondents George Wendt and John Ratzenberger are the actors who portrayed "Norm" and "Cliff" on "Cheers."[3] Wendt and Ratzenberger sued Host in the United States District Court for the Central District of California, claiming that the two robotic figures violated their common law and statutory rights of publicity, their rights under the Lanham Act, 15 U.S.C. §1125(a) (1994) and otherwise violated their legal rights. According to the allegations of the Respondents in their complaint, the use of the robots was actionable since they were "designed to impersonate, appear as, and otherwise invoke in the minds of the general public, the images, likenesses, identities and personas of Plaintiffs in the portrayal of their respective roles of 'Norm' and 'Cliff.' " (Complaint, ¶ 16)

Respondents sought injunctive relief, damages and punitive damages. Jurisdiction in the district court was con-

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[3] Copies of photographs of the Respondents and the robots, which were part of the record in this case, are attached to the Appendix hereto as 56a-59a.

ferred pursuant to 15 U.S.C. § 1121(a) (1994), as amended, and 28 U.S.C. §§ 1331, 1332, and 1338 (1994), as amended.

History of the Litigation

(a) The First Decisions of the District Court and Court of Appeals

Prior to trial, Paramount intervened in the case, as the copyright owner of "Cheers" and its characters, and moved for summary judgment on two grounds: (1) that Respondents' state law claims were preempted by the Copyright Act because, if enforced, they would prevent Paramount from exercising its exclusive right under federal copyright law to create and depict derivative works based on "Cheers" and (2) that the robots were, in any event, sufficiently different in appearance from Wendt and Ratzenberger that all their claims failed as a matter of law. On August 25, 1993, the district court granted the defendants summary judgment on both grounds. (App. 31a-37a)

On March 16, 1995, the court of appeals reversed the district court's decision. (App. 30a) "[P]laintiffs' claims," the court summarily concluded, "are not preempted by the federal copyright statute so long as they 'contain elements, such as the invasion of personal rights . . . that are different in kind from copyright infringement.' " (App. 26a) The court concluded that "the unauthorized commercial use of one's identity is an invasion of 'a personal property right,' different in kind from copyright infringement" because it required an "additional element" to a copyright claim—namely, "proof that the defendant's use of the plaintiff's 'likeness' or 'identity' was commercial (*i.e.*, connected with selling or promoting a product)." (App. 26a)

As for the district court's ruling, reached after reviewing photographs of the two actors and the robots, that they were insufficiently similar to permit Respondents' to pursue any of their claims, the court of appeals held that the determi-

nation of whether the robots were "likenesses" of Respondents could not be made on the basis of photographs but only "by a comparison of the actual, three-dimensional entities." (App. 28a) The case was therefore remanded to the district court. (App. 30a)

(b) The Second Decisions of the District Court and Court of Appeals

On remand, Paramount and Host moved again for summary judgment. As directed by the court of appeals, defendants brought the actual three-dimensional robots into court so that the court could compare them with the plaintiffs. Having done so, the district court determined, once again, that "Plaintiffs are not similar in any way to and are completely different from [the robots]," and again granted summary judgment for Paramount and Host. (App. 21a) The court also noted that the animatronic figures were derivative works of the "Cheers" television series and, as such, were protected by Paramount's exclusive copyright in "Cheers." (App. 20a)

On appeal, the Ninth Circuit reversed again, finding disputed issues of fact as to whether the actors looked sufficiently like the robots to violate California right of publicity law. (App. 5a-6a, 9a) As for the issue of copyright preemption, the court sought to distinguish an intervening California Court of Appeals decision that held a cause of action for right of publicity under California law to be preempted by the Copyright Act where the action sought to prevent the defendant from exhibiting a copyrighted work. *Fleet* v. *CBS, Inc.*, 58 Cal.Rptr.2d 645 (Ct. App. 1996). The court interpreted *Fleet* to hold that a right of publicity claim is preempted by copyright law "if all [the plaintiff is] seeking is to prevent a party from exhibiting a copyrighted work" (App. 6a), and distinguished *Fleet* by maintaining that "[a]ppellants here are not seeking to prevent Paramount from exhibiting its copyrighted work in the Cheers series." (App. 6a)

Acknowledging (as had the plaintiffs themselves) that Wendt and Ratzenberger had no rights to the characters "Norm" and "Cliff" (App. 8a), the court of appeals nonetheless held that since plaintiffs' state law claims were based on the contention that the two robots physically resembled Wendt and Ratzenberger in their portrayal of "Norm" and "Cliff," their state claims survived preemption. (App. 8a)

(c) The Rejection of Petition for Rehearing *En Banc*

Paramount and Host filed a Petition for Rehearing and Suggestion for Rehearing *En Banc*, which pointed out, *inter alia*, that the opinion conflicted directly with both the Seventh Circuit's opinion in *Baltimore Orioles, Inc.* v. *Major League Baseball Players Ass'n*, 805 F.2d 663 (7th Cir. 1986), *cert. denied*, 480 U.S. 941 (1987) and the California Court of Appeals' ruling in *Fleet* and was also inconsistent with another intervening California Court of Appeals decision, *Polydoros* v. *Twentieth Century Fox Film Corp.*, 67 Cal. Rptr. 2d 305 (Ct. App. 1997). The latter ruling struck down on First Amendment grounds a right of publicity claim asserted by an individual who claimed that his name and likeness had been appropriated for commercial use in a fictional film. On December 28, 1999, the petition for rehearing was denied and the suggestion for rehearing *en banc* rejected. (App. 39a)

Judge Kozinski, joined by Judges Kleinfeld and Tashima, dissented from the order rejecting the suggestion for rehearing *en banc*. (App. 39a-48a) The dissenting judges pointed to a number of critical flaws in the panel's opinion: (1) the panel had interpreted the right of publicity so broadly as to prevent Paramount from exercising its right under the copyright laws to make a derivative work based on "Cheers" (App. 42a); (2) the panel's distinction between causes of action based on a likeness to the characters "Norm" and

"Cliff" and causes of action based on a likeness to the actors in their portrayal of "Norm" and "Cliff" failed because it was impossible to exploit characters from "Cheers" without reminding viewers of the actors in their portrayal of them (App. 41a-44a); (3) the panel's opinion directly conflicted with the Seventh Circuit's opinion in *Baltimore Orioles* and the California Court of Appeals' opinion in *Fleet* (App. 44a-45a); (4) the panel's interpretation of the California common law right of publicity violated the dormant Copyright Clause because it unduly burdened the copyright rights of citizens of states other than California (App. 46a-47a); and (5) the panel's opinion utterly ignored the First Amendment in a context where core protected speech was involved. (App. 47a-48a) This petition followed.

REASONS FOR GRANTING THE WRIT

I

THE RULING OF THE NINTH CIRCUIT CONFLICTS DIRECTLY WITH DECISIONS OF THE SEVENTH CIRCUIT AND THE CALIFORNIA COURTS REGARDING THE SCOPE OF EXPRESS COPYRIGHT PREEMPTION AND IS CONTRARY TO SUPREME COURT CONFLICT PREEMPTION PRECEDENT AND THE DORMANT COPYRIGHT CLAUSE OF THE UNITED STATES CONSTITUTION

A. The Ninth Circuit Decision in this Case and a Subsequent Fifth Circuit Decision Following It Create a Direct Conflict With Decisions of the Seventh Circuit and the California State Courts Concerning Express Copyright Preemption

In holding the Respondents' state law claims not preempted by Section 301 of the Copyright Act, the Ninth Cir-

cuit reached a result squarely at odds with that of the Seventh Circuit in *Baltimore Orioles, supra,* and with the ruling of the California Court of Appeal in *Fleet, supra.*

Section 301(a) provides that:

> "On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State." 17 U.S.C. § 301(a) (1994).

For a state law action to be preempted by Section 301, therefore, two conditions must be satisfied. First, the work in which the state law right is asserted must be fixed in tangible form and come within the subject matter of copyright as specified in Sections 102 and 103 of the Copyright Act. Second, the state law right must be equivalent to any of the rights specified in Section 106 of the Copyright Act. *See generally* 1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* §1.01[B] (1999); *National Basketball Ass'n* v. *Motorola,* Inc., 105 F.3d 841, 848 (2d Cir. 1997); *Fleet,* 58 Cal.Rptr.2d at 650; *Donald Frederick Evans & Assocs., Inc.* v. *Continental Homes, Inc.,* 785 F.2d 897, 913-14 (11th Cir. 1986); *Baltimore Orioles,* 805 F.2d at 674.

In the present case, the Ninth Circuit ruled inconsistently with both *Baltimore Orioles* and *Fleet* by distorting both elements of the two-part Section 301 test. As to the first prong, the Ninth Circuit rejected preemption on the ground that "[w]hat is put forward as protectable here is more personal than any work of authorship." (App. 26a) A similar ruling

was recently issued by the Fifth Circuit as well. *See Brown* v. *Ames*, 201 F.3d 654, 657-59 (5th Cir. 2000) (finding no preemption of right of publicity claims because "the content of the protected right (in these cases, the singers' vocal styles) did not fall in the subject matter of copyright").

As to the second prong, the court of appeals found that the "unauthorized commercial use of one's identity is an invasion of 'a personal property right,' different in kind from copyright infringement" because it required an "additional element" to a copyright claim—namely, "proof that the defendant's use of the plaintiff's 'likeness' or 'identity' was commercial (*i.e.*, connected with selling or promoting a product)." (App. 26a) As such, it held that the state law rights at issue in this case were not equivalent to the rights specified in Section 106 of the Copyright Act and were therefore not preempted. (App. 26a)

The Seventh Circuit reached a contrary result based on an entirely different analysis of the same issue in *Baltimore Orioles*. In that case The Major League Baseball Players Association brought a right of publicity claim against Major League Baseball for broadcasting major league baseball games on television without the players' consent. Instead of looking at whether or not *the item being protected by the right of publicity* was copyrightable—as the Ninth Circuit did in this case and the Fifth Circuit did in *Brown*—the Seventh Circuit examined whether or not *the work alleged to have violated the right of publicity*—namely, the telecasts of major league baseball games—fell within the scope of copyright protection delineated by Sections 102 and 103 of the Copyright Act. *Baltimore Orioles*, 805 F.2d at 674. Under this test, the court concluded that the first prong was satisfied because the telecasts that the plaintiff claimed rights in were both fixed in a tangible medium of expression and copyrightable. *Id.*

The Seventh Circuit explicitly considered and rejected the first prong analysis later adopted by the Ninth and Fifth Circuits, that "the right of publicity is not preempted because the work that it protects—a public figure's persona—cannot be fixed in a tangible medium of expression." *See Baltimore Orioles*, 805 F.2d at 677 n.26. The court concluded that "[b]ecause a performance is fixed in tangible form when it is recorded, a right of publicity in a performance that has been reduced to tangible form is subject to preemption." *Id.*

Under the Seventh Circuit's analysis, then, the Ninth Circuit addressed the wrong issue in applying its prong one test. Where the Ninth Circuit held that "what [was] put forward as protectable" (App. 26a)—presumably the face, likeness, or identity of the actors—was not copyrightable (and therefore not preempted), the Seventh Circuit would have examined whether or not the *robots* were copyrightable (which they clearly were). That the Seventh Circuit's interpretation is the correct one is clear from the legislative history of the Copyright Act, which states that "[t]he intention of section 301 is to preempt and abolish any rights under the common law or statutes of a State that are equivalent to copyright *and that extend to works coming within the scope of the Federal copyright law*." H.R. Rep. No. 1476 at 130 (1976) (emphasis added).

As to the second prong, the Seventh Circuit examined the legislative history of Section 301 and concluded that a state right is "equivalent" to one of the rights within the general scope of copyright if "(1) it is infringed by the mere act of reproduction, performance, distribution or display, or (2) it requires additional elements to make out a cause of action but the additional elements do not differ in kind from those necessary for copyright infringement." *Baltimore Orioles*, 805 F.2d at 677 n.26. The court found that the right of publicity did not contain any "extra elements" that were qualitatively different from a copyright action. *See id.* A wide range of courts have held similarly. *See Harper & Row Pub-*

lishers, Inc. v. *Nation Enterprises*, 723 F.2d 195, 201 (2d Cir. 1983) (state law preempted since reproduction with intent not qualitatively different), *rev'd on other grounds*, 471 U.S. 539 (1985); *Crow* v. *Wainwright*, 720 F.2d 1224, 1226 (11th Cir. 1983) (state law preempted since publication with scienter not qualitatively different), *cert. denied*, 469 U.S. 819 (1984); *Mayer* v. *Josiah Wedgwood & Sons*, 601 F. Supp. 1523, 1535 (S.D.N.Y. 1985) (state law preempted since reproduction with intent, knowledge, or commercial immorality not different in kind) (discussing cases); *Rand McNally & Co.* v. *Fleet Management Systems, Inc.*, 591 F. Supp. 726, 739 (N.D. Ill. 1983) (state law preempted since publication with commercial immorality not qualitatively different). The Seventh Circuit concluded that "[b]ecause the exercise of the Clubs' right to broadcast telecasts of the games infringes the Players' rights of publicity in their performances, the Players' rights of publicity are equivalent to at least one of the rights encompassed by copyright, *viz.*, the right to perform an audiovisual work." *Baltimore Orioles*, 805 F.2d at 677. This holding, like all of those cited above, was flatly contrary to the Ninth Circuit's holding that the "extra element" of "commercial use" prevented the right of publicity from being preempted.[4] (App. 26a)

The flaws in the Ninth Circuit's preemption analysis are particularly well illustrated by its treatment of the conflicting California Court of Appeals' decision in *Fleet*, *supra*. In *Fleet*, an actor asserted a right of publicity claim against the copyright holder of one of his films to try to prevent the copyright holder from exhibiting the film without

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[4] The United States Court of Appeals for the Eighth Circuit has indicated, in dicta, its likely agreement with the Seventh Circuit's analysis in *Baltimore Orioles*. *See Ventura* v. *Titan Sports, Inc.*, 65 F.3d 725, 730 n.6 (8th Cir. 1995) (citing *Baltimore Orioles* in support of preemption of right of publicity claims under copyright law, but refusing to rule on preemption because it was not timely raised), *cert. denied*, 516 U.S. 1174 (1996).

his permission. The actor refused to grant the copyright owner permission to use the actor's likeness in advertisements for the film (which used clips and stills from the film itself) and in distributing the film itself. The court dismissed the complaint on preemption grounds.

However obvious the result in *Fleet* may appear to be,[5] it is flatly inconsistent with the Ninth Circuit's ruling in this case and cannot be reached using the Ninth Circuit's analysis. Under the Ninth Circuit's test for prong one (which analyzes whether or not the item being protected by the right of publicity was copyrightable), the facts of *Fleet* lead inexorably to a result of no preemption. This is because the actor's right of publicity, as interpreted in this case, protects the actor's face, persona, and likeness as opposed to the film upon which it is captured. These items, according to the Ninth Circuit's analysis, are neither fixed in a tangible medium of expression nor copyrightable. The Ninth Circuit's second prong analysis leads to the same result. Under the facts of *Fleet,* the "extra element" of commercial appropriation cited by the Ninth Circuit in support of its holding of no preemption in this case is still present. In the end, the logic of Ninth Circuit's analysis leads inexorably to the conclusion that *no* right of publicity claim would ever be preempted by copyright.

It is not surprising, then, that the Ninth Circuit's attempt to distinguish *Fleet* was so unpersuasive.[6] The panel argued

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[5] *See KNB Enterprises* v. *Matthews*, 92 Cal.Rptr.2d 713, 723 (Cal. Ct. App. 2000), holding that a right of publicity claim "is preempted under *Fleet* where an actor or model . . . seeks to prevent the exclusive copyright holder from displaying the copyrighted work."

[6] The Fifth Circuit's attempt in *Brown* to distinguish *Fleet* was similarly unpersuasive. That opinion claimed that *Fleet* involved the misappropriation of something within the subject matter of copyright—namely, a dramatic performance—while *Brown* involved the misappropriation of something not within the subject matter of copyright—specifically, a "name and/or likeness." *Brown*, 201 F.3d at 658.

that the instant case was different from *Fleet* because the "[a]ppellants here are not seeking to prevent Paramount from exhibiting its copyrighted work in the Cheers series." (App. 6a) This is simply untrue. The Respondents in this case *are* seeking to prevent Host and Paramount from doing just that. While Host is not being sued for merely displaying the "Cheers" show on the televisions at its bar, it is being sued for doing nothing more than exercising its exclusive rights under the Copyright Act, as Paramount's licensee, to depict derivative works (*i.e.*, the characters "Hank" and "Bob") based on the "Cheers" show and its characters.[7]

Predictably enough, the decision of the court of appeals in this case has been the subject of a barrage of sustained scholarly criticism. *See, e.g.*, 1 Nimmer § 1.01[B][3][c] note 286.20, at 1-66 ("The federal court distinguished [*Fleet*'s] state interpretation of state law on the basis that plaintiffs 'are not seeking to prevent Paramount from exhibiting its

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But the court simply performed the "prong one" test at a different level of generality (without any principled explanation of how or why that was done) for each case to reach what it perceived to be the desired result. It could, of course, equally be said that *Fleet* involved the misappropriation of the plaintiff's "face" and "likeness" and that *Brown* involved the misappropriation of photographs of the plaintiffs. *Brown* ultimately fails to explain why it applies its prong one test differently to the facts of *Fleet* than to its own facts.

[7] The Copyright Act defines a derivative work as "a work based upon one or more pre-existing works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a 'derivative work.' 17 U.S.C. § 101 (1994), as amended. As Judge Kozinski noted in his dissent, "[t]he presentation of the robots in the Cheers bars is a derivative work, just like a TV clip, promotion, photograph, poster, sequel or dramatic rendering of an episode." (App. 42a)

copyrighted work in the Cheers series.' But given that copyright in the series includes the right to prepare derivative works (perhaps such as airport taverns reminiscent of the Cheers set) and given that this case bars Paramount from part of that realm (by apparently forbidding categorically its use of any two male robots unless their weight is scrupulously balanced), this case likewise threatens to subvert copyright interests."); Felix H. Kent, *Reviewing 1997: Tobacco Settlement*, 218 *N.Y.L.J.* 3 (Dec. 19, 1997) (opinion of Court of Appeals described as "bizarre"); Daniel Margolis, *Cheers to the Church Lady: Resolving the Conflict Between Copyright and the Right of Publicity*, 1996 Ann. Surv. Am. L. 627, 660-661 (1996) (describing express preemption analysis in this case as "pragmatically and logically unsound" because "[t]here is no logic to a rule that would preempt a state law claim which merely requires a showing of copying, but that would allow a state claim which requires a showing of copying plus an additional act authorized by the Copyright Act, namely commercial use"); 17 *Entertainment Law Rep.* 17, 18 (Sept. 1995) (decision of court of appeals "on its face . . . is another in a line of ill-advised and poorly-reasoned decisions rendered by the Ninth Circuit in right of publicity cases. . . .")

The Court should grant review to resolve the substantial conflict and to protect important federal interests from being infringed upon by state law in violation of Congress' express intention in passing the Copyright Act.[8]

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[8] We note that reversal of the Ninth Circuit's preemption ruling will completely dispose of this case. While the preemption defense does not directly apply to Respondents' Lanham Act claims, Ninth Circuit case law makes clear that the Lanham Act claims must be dismissed if the state law claims are preempted by copyright. *See Comedy III Productions, Inc.* v. *New Line Cinema*, 200 F.3d 593, 595 (9th Cir. 2000) ("[T]he Lanham Act cannot be used to circumvent copyright law. If material covered by copyright law has passed into the public domain, it cannot then be protected by the Lanham Act without rendering the Copyright Act a nullity").

B. The Ninth Circuit Decision in this Case Both Ignores and is Contrary to this Court's Conflict Preemption Jurisprudence

Review is also warranted in this case because the court of appeals' decision ignores and is contrary to this Court's conflict preemption jurisprudence. As this Court has made clear, the Supremacy Clause dictates that a state law that obstructs the accomplishment of the full purposes and objectives of Congress is preempted, even if it does not fall within the scope of an express preemption provision. *Hines* v. *Davidowitz*, 312 U.S. 52, 67 (1941). This Court has applied this principle to preempt state causes of action whenever they interfere with the full exercise of a federally created copyright right. *See Capital Cities Cable, Inc.* v. *Crisp*, 467 U.S. 691, 710-11 (1984) (Oklahoma law banning alcoholic beverage advertising by cable operators preempted, in part, because the law would interfere with the exercise of the right to use compulsory copyright licenses under federal copyright law). *See also Orson, Inc.* v. *Miramax Film Corp.*, 189 F.3d 377, 382-387 (3d Cir. 1999) (*en banc*) (conflict preemption applies to Pennsylvania law because it "stands as an obstacle" to the exclusive right to distribute a copyrighted work under the Copyright Act), *cert. denied*, No. 99-866, 2000 WL 245289 (U.S. Mar. 6, 2000).

The Ninth Circuit's articulation of California right of publicity law in this case conflicts directly with the exclusive right, under the Copyright Act, to authorize others to display derivative works. *See* 17 U.S.C. § 106 (1994). Given the exclusive nature of the right to make and authorize derivative works, any state cause of action that gives parties other than the copyright holder the right to authorize (or to refuse to authorize) a derivative work conflicts with Congress' clearly expressed intent in passing the Copyright Act. California's right of publicity law, as interpreted by the Ninth Circuit, cannot be enforced without diminishing the

rights of copyright holders under the Copyright Act to create and display derivative works. As such, it cannot stand. *Hines*, 312 U.S. at 67.

In his dissenting opinion from the Ninth Circuit's denial of rehearing *en banc*, Judge Kozinski articulated the direct nature of the conflict:

> "Host and Paramount assert their right under the Copyright Act to present the Cheers characters in airport bars; Wendt and Ratzenberger assert the right under California law to control the exploitation of their likenesses. But to millions of viewers, Wendt and Ratzenberger are Norm and Cliff; it's impossible to exploit the latter without also evoking thoughts about the former." (App. 41a-42a)

While the court of appeals attempted to sidestep this issue by drawing a distinction between rights to the characters "Norm" and "Cliff" (which it acknowledged belong to Petitioners) and rights to the actors' portrayals of the characters "Norm" and "Cliff" (which it claimed belong to Respondents), this distinction simply does not work. As Judge Kozinski points out, it is impossible to exploit the characters "Norm" and "Cliff" without evoking thoughts about Messrs. Wendt and Ratzenberger portraying "Norm" and "Cliff". As such, conflict between the Respondents' right of publicity and the Petitioners' rights under copyright is unavoidable.

One source of the problem is that the Ninth Circuit has interpreted the California common law right of publicity so broadly. While most state courts limit the right of publicity to situations where a celebrity's name, voice, face or signature have been appropriated without consent for a commercial purpose, *see, e.g.*, *Stephano* v. *News Group Publications, Inc.*, 474 N.E.2d 580, 583-84 (N.Y. 1984) (limiting right of publicity under New York law to statutory protection of "name, portrait or picture"), in *White* v. *Sam-*

sung Electronics America, Inc., 971 F.2d 1395, 1399 (9th Cir. 1992), *cert. denied*, 508 U.S. 591 (1993), the Ninth Circuit "exploded the right of publicity" to include *anything* (even the use of a background or setting) that "brings the celebrity to mind." (App. 43a) (Kozinski, J. dissenting)[9] Such a breathtakingly expansive view of the right of publicity interferes with the rights of copyright owners to exploit their copyrighted works precisely because just about any authorized use of a copyrighted fictional character may bring the actor or actress who has played that character to mind.

In fact, the effect of the Ninth Circuit ruling would be to impose the greatest limits on the ability of a copyright owner to exploit derivative works in those cases in which the copyrighted works are most successful. It cannot be doubted that as the success of a program increases so will the identification of a character in the program with the actor who portrays him. A Catch-22 situation results: unsuccessful works for which there is little demand for derivative works are not impacted by the Ninth Circuit's holding, while successful works for which there may be a high demand for derivative works are subject to the veto right of third parties. That is hardly the scheme established by the Copyright Act.

The conflict is further compounded by the Ninth Circuit's holding, in *White*, that the specific means of appropriation of a celebrity's identity are not relevant to the right of publicity inquiry. *White*, 971 F.2d at 1398. In holding that the right of publicity may be violated in all instances where a celebrity's identity is evoked, the court of appeals failed to recognize that the "means of appropriation" might simply be the exercise of rights guaranteed under copyright law, thus

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[9] The California statutory right of publicity, Cal. Civ. Code § 3344 (West 1997), is far narrower than the Ninth Circuit-crafted common law right of publicity. *White*, 971 F.2d at 1398 (statutory right of publicity protects knowing use of a plaintiff's name or actual likeness only; common law protects celebrities "identity" or anything that evokes it).

leading to conflict preemption. The Ninth Circuit's holding fails even to acknowledge what the leading commentators have stressed—*i.e.*, that if the right of publicity is violated merely by exercising one of the exclusive rights under the Copyright Act, it must be preempted. *See* 1 *Nimmer on Copyright* § 1.01[B][3][b], at 1-64, 1-66 ("[I]f a derivative work can be halted under color of an actor's right of publicity claim, then state law can set at naught the benefits that Congress has conferred. The *White* majority fails to confront this tension . . . [and] th[e] [*Wendt*] decision replicates (robotically, at that) the *White* majority's defects").

C. The Ninth Circuit Decision in this Case Both Ignores and is Contrary to the Dormant Copyright Clause

The Ninth Circuit opinion in this case warrants review for yet another reason arising out of its diminishment of the rights afforded by the Copyright Act: it ignores and is contrary to this Court's jurisprudence surrounding the dormant Copyright Clause, which holds that state intellectual property laws are preempted to the extent they "prejudice the interests of other states." *Goldstein* v. *California*, 412 U.S. 546, 558 (1973). Just as the dormant Commerce Clause invalidates state laws that pose an undue burden on interstate commerce, so does the Copyright Clause invalidate state laws that substantially interfere with federal copyright law. *Id.*

As Judge Kozinski noted in his dissenting opinion in this case, the Ninth Circuit's expansive interpretation of the California common law right of publicity in this case substantially interferes with copyright protection in other states:[10]

> "A copyright licensee must be able to exercise rights which are inherently federal in nature without worrying that 50 separate states will burden those rights.

[10] None of the bars displaying the robots were in California.

> This is most obviously true when state law restricts the display of derivative works outside the borders of its state. Yet that is exactly what the panel approves here: Plaintiffs are using California law to stop Host from displaying a copyrighted work in Kansas City and Cleveland. Why California should set the national standard for what is a permissible use of a licensed derivative work is beyond me. Rather than construe the right of publicity narrowly to avoid this constitutional conundrum, the panel compounds *White*'s errors by enforcing California's right of publicity way beyond California's borders." (App. 46a-47a)

The Ninth Circuit's broad reading of the right of publicity thus runs afoul of the dormant Copyright Clause, even if it does not fall under the express preemption provision of the Copyright Act, 17 U.S.C. § 301. Review by this Court is necessary to protect the federal interests guaranteed by the Copyright Clause itself.[11]

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[11] Any argument that this case is inappropriate for plenary review because the decision below is interlocutory should be rejected. To allow the boundaries of the preemptive scope of the Copyright Act to remain unsettled for a period of what may well be several years—in the face of an immediate circuit conflict—while other issues are tried and appealed, would only delay resolution of a significant legal issue that should best be resolved now. *See* Robert L. Stern, *et al.*, *Supreme Court Practice* 197 (7th ed. 1993) (even though other issues remained to be decided below, the Court has granted *certiorari* where there was a conflict on a question of law with another court of appeals which would justify review of a final decree or judgment); *Geissal v. Moore Medical Corp.*, 524 U.S. 74, 79 (1998); *United States v. General Motors Corp.*, 323 U.S. 373, 374-377 (1945); *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 408-09 (1916); *Forsyth v. Hammond*, 166 U.S. 506, 514 (1897); *see also Supreme Court Practice* at 197 (*certiorari* granted where nonfinal judgment presented "a novel and important question of law and where petitioner's position, if sustained, would render the decision wholly void").

II.

THE RULING OF THE NINTH CIRCUIT IGNORES SIGNIFICANT FIRST AMENDMENT INTERESTS IN A FASHION INCONSISTENT WITH PRIOR RULINGS THROUGHOUT THE NATION IN AN AREA OF LAW IN WHICH GUIDANCE FROM THIS COURT IS NEEDED

Seven years ago, four judges on the Court of Appeals for the Ninth Circuit dissented from that court's determination in *White*, *supra*, that a celebrity whose name or likeness had concededly *not* been used in an advertisement could nonetheless recover under California right of publicity law if her identity had been somehow "evoked", however impressionistically, by the advertisement. Judge Alarcon's dissenting opinion in that case expressed concern about the dangerous First Amendment implications of the court's ruling:

> "The effect of the majority's holding on expressive conduct is difficult to estimate. The majority's position seems to allow any famous person or entity to bring suit based on any commercial advertisement that depicts a character or role performed by the plaintiff. Under the majority's view of the law, Gene Autry could have brought an action for damages against all other singing cowboys. Clint Eastwood would be able to sue anyone who plays a tall, soft-spoken cowboy, unless, of course, Jimmy Stewart had not previously enjoined Clint Eastwood. Johnny Weismuller would have been able to sue each actor who played the role of Tarzan." *White*, 971 F.2d at 1407.

Judge Kozinski's dissenting opinion from the court's denial of rehearing *en banc* in *White* also decried the First Amendment consequences of the ruling. "The majority's creation," the opinion observed, "goes way beyond the

protection given a trademark or a copyrighted work, or a person's name or likeness. All those things control one particular way of expressing an idea, one way of referring to an object or a person. But not allowing any means of reminding people of someone? That's a speech restriction unparalleled in First Amendment law." *White*, 989 F.2d at 1519 (Kozinski, J., dissenting).

The only treatment of the First Amendment in the *White* panel opinion was to dismiss it as even being relevant to the case because the speech at issue in *White* was commercial.[12] In this case, involving speech that is not commercial, Judge Kozinski and two colleagues again dissented on First Amendment grounds from the denial of rehearing *en banc*, stating:

> "Here, the portrayal of the *Cheers* characters is core protected speech: Using Norm and Cliff dummies in a *Cheers*-themed bar is a dramatic presentation. It's like a play. *Cheers* may not have the social impact of *Hair, see Southeastern Promotions, Ltd.* v. *Conrad*, 420 U.S. 546, 43 L.Ed. 2d 448, 95 S.Ct. 1239 (1975), but it's a literary work nonetheless, worthy of the highest First Amendment protection from intrusive state laws like California's right-of-publicity statute." (App. 47a)[13]

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[12] Of course, even commercial speech receives a significant degree of First Amendment protection—far more, in fact, than the court in *White* acknowledged. *See City of Cincinnati* v. *Discovery Network, Inc.*, 507 U.S. 410 (1993); *44 Liquormart, Inc.* v. *Rhode Island*, 517 U.S. 484 (1996); *Greater New Orleans Broadcasting Ass'n* v. *United States*, 527 U.S. 173 (1999).

[13] The fact that the "performances" by "Hank" and "Bob" may be motivated, in part, by a desire to encourage people to patronize to the bar does not transform these performances into commercial speech. *See, e.g., Joseph Burstyn, Inc.* v. *Wilson*, 343 U.S. 495, 501 (1952) ("That books, newspapers, and magazines are published and sold for profit does not prevent them from being a form of expression whose liberty is safeguarded by the First Amendment. We fail to see

Unable to respond by dismissing the speech at issue here as commercial, the panel opinion contained not a word about the First Amendment.

An earlier opinion from the California courts should have guided the Ninth Circuit. In *Lugosi* v. *Universal Pictures*, 603 P.2d 425 (Cal. 1979), the heirs of Bela Lugosi sued under a right of publicity theory to recover profits from a movie company in its licensing of the use of the Count Dracula character. Justice Mosk of the California Supreme Court warned of the threat allowing such a claim would pose to freedom of expression:

> "Bela Lugosi was a talented actor. But he was an actor, a practitioner of the thespian arts; he was not a playwright, an innovator, a creator or an entrepreneur. As an actor he memorized lines and portrayed roles written for him, albeit with consummate skill. . . . [Lugosi's] performance gave him no more claim on Dracula than that of countless actors on Hamlet who have portrayed the Dane in a unique manner. . . . If Bela Lugosi were alive today, he would be unable to claim an invasion of his right to privacy for Universal's exploitation not of Lugosi *qua* Lugosi but of products created in the image of Count Dracula, a role Lugosi played. . . . To approve such a bonanza on a newly created cause of action, heretofore unknown in California, ill serves the principles of free expression and free enterprise."

Lugosi, 603 P.2d at 432, 434 (Mosk, J., concurring) (citations omitted). In this case, the Ninth Circuit has created the very "bonanza" threatening free expression that Justice Mosk warned against in *Lugosi*.[14]

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why operation for profit should have any different effect in the case of motion pictures."); *Time, Inc.* v. *Hill*, 385 U.S. 374, 397 (1967) (same).

[14] The majority in *Lugosi* ruled against the plaintiff on the ground that the common law right of publicity was not descendible.

The failure of the Ninth Circuit even to address the First Amendment consequences of a rule of law which provides performers and their heirs with broad control over subsequent uses of the copyrighted characters that they played on television programs, motion pictures and the like that "evoke" the identity of the performers that portrayed those characters reflects a disturbing insensitivity to the impact of the court's ruling on deeply rooted principles of freedom of expression. To "millions of viewers," as the dissenting opinion observed, "Wendt and Ratzenberger are Norm and Cliff. It's impossible to exploit the latter without evoking thoughts about the former." (App. 42a) Since just such an evocation is all that is required for liability to be imposed under the Ninth Circuit's standard, the ruling necessarily raises First Amendment issues of the most profound nature.

It is not as if the robotic characters themselves are unprotected by the First Amendment. Programmed to converse with each other when patrons sit near them at the bars, the robots engage in a sort of running barroom social commentary—sometimes humorously, sometimes less successfully so—that is fully protected by the First Amendment. A typical exchange between the robots is this one:

> "BOB: Where's Sam? Anybody seen Sam?
>
> HANK: He went with Fraiser to look at the new Lamborghini.
>
> BOB: Oh. What would it be like to have money for status symbols?
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> HANK: Yuppiedom. And I don't understand it. People who buy more than they can afford, eat at overpriced restaurants and wear clothes with someone else's initials on them. . . . I just don't get it. I always stay within my

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Lugosi, 603 P.2d at 431. Statutory right of publicity claims are descendible in California. *See* Cal. Civ. Code § 3344.

budget and balance my checkbook to the penny.

BOB: It's called advertising, Hank. They make you want to buy that stuff through brain-washing, and it has to be bigger, brighter and better than before.

HANK: But all that Madison Avenue lingo doesn't make sense. Like what is a "pre-owned" car?

BOB: Used. See my point. They learned it from the government, for example, "user-fees."

HANK: Oh, you mean taxes. Well, what about a "revenue shortfall." Isn't it just a lack of money and poor budgeting?

BOB: Right-o. What about Military Intelligence?

HANK: (ponders) Hmm . . . you got me.

BOB: How about a contradiction in terms?"

Another is this one:

"BOB: What's this world coming to Hank? People all over are losing their jobs to machines. I tell you, technology is taking over the world.

HANK: Yeah. I know exactly what you mean Bob. Soon they'll probably have robot plumbers, robot doctors, and heaven forbid . . . robot female mud wrestlers.

BOB: With my luck, they'll probably invent a robot wife. That way, my real wife could go out while the robot wife stays home to nag me.

HANK: Cheer up Bob. . . . Maybe it's not all bad. If robots did our jobs, then we could spend

more time here at "Cheers" . . . unless of course they invent robot customers to sit at the bar and drink for us.

BOB: That will never happen, Hank, that will never happen."[15]

In these and their other exchanges, the robots engage in what Judge Kozinski correctly viewed as a sort of play that is fully protected by the First Amendment. *See Southeastern Promotions, Ltd.* v. *Conrad*, 420 U.S. 546 (1975).

This Court has addressed the relationship between right of publicity claims and the First Amendment only once. In *Zacchini* v. *Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977), the Court, in a five-to-four ruling, determined that the First Amendment did not bar a state from permitting recovery on a right of publicity claim where a defendant had broadcast the "entire performance" of the plaintiff. While acknowledging that "entertainment, as well as news, enjoys First Amendment protection," the Court determined that the broadcast of "a performer's entire act without his consent" could be actionable. *Id.* at 570, 578.

The *Zacchini* ruling was deliberately narrow in its scope. As both the majority and dissenting opinions agreed, the only question addressed was whether the broadcast of an entire act could be actionable. *Id.* at 570, 575-76; *id.* at 579-80 (Powell, J., dissenting). The Court therefore did not address any issue bearing upon the interrelationship of the right of publicity tort and the First Amendment such as is raised here.[16]

In the California state courts, that question has been addressed in a manner far more congenial to First Amend-

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[15] *See* Exhibit 108, included in the record below.

[16] *See, e.g.*, 3 Paul Goldstein, *Copyright*, § 15.20.2.3, at 15:168 (2nd ed. 1999) ("*Zacchini* is not a general charter for immunizing the right of publicity from first amendment claims").

ment interests than the ruling in this case even begins to suggest. In *Polydoros* v. *Twentieth Century Fox Film Corp.*, 67 Cal. Rptr.2d 305 (Ct. App. 1997), *review granted*, 69 Cal.Rptr.2d 897 (Cal. 1997), *review dismissed*, 965 P.2d 724 (Cal. 1998), the highest California court to rule directly on the issue held that the First Amendment barred a right of publicity claim asserted by an individual who claimed that his name and likeness had been appropriated for commercial purposes in a fictional film. Basing its ruling on the well-established proposition of First Amendment law that "[p]opular entertainment is entitled to the same constitutional protection as the exposition of political ideas," the Court ordered the complaint dismissed. *Id.* at 308.

Polydoros is only the most recent articulation of the proposition that right of publicity claims must be subjected to rigorous judicial review to assure that First Amendment interests have not been compromised. It was just such an analysis that led the Court of Appeals for the Tenth Circuit, in an opinion facially at odds with that at issue in this case, to conclude that the First Amendment barred a right-of-publicity claim. In *Cardtoons, L.C.* v. *Major League Baseball Players Ass'n*, 95 F.3d 959 (10th Cir. 1996), the Court of Appeals for the Tenth Circuit concluded that just such a claim made on behalf of the major league baseball players union against a firm that was selling parody trading cards featuring the pictures of active major league players could not withstand First Amendment scrutiny. According to the Court, the trading cards were "no less protected because they provide humorous rather than serious commentary." Rejecting the notion that *Cardtoons's* speech should receive "less protection because it fails to use a traditional medium of expression," the Court of Appeals held that the right of publicity claim made on behalf of the baseball players violated the First Amendment. *Id.* at 969.

Similar rulings have been reached by numerous other courts in a wide range of circumstances. *See Rogers* v.

Grimaldi, 875 F.2d 994 (2d Cir. 1989) (holding that the title of the movie *Ginger & Fred* was protected by the First Amendment as against a right of publicity claim by Ginger Rogers); *Matthews* v. *Wozencraft*, 15 F.3d 432, 439 (5th Cir. 1994) (rejecting right of publicity claim against depiction of life story of plaintiff on First Amendment grounds); *Joplin Enterprises* v. *Allen*, 795 F.Supp. 349 (W.D. Wash. 1992) (upholding the right of play to depict fictional day in the life of Janis Joplin against right of publicity claim asserted by her estate). Contrary rulings exist, but even they acknowledge the need to reconcile First Amendment interests with right of publicity claims. *Groucho Marx Productions, Inc.* v. *Day and Night Co.*, 523 F.Supp. 485 (S.D.N.Y. 1981), *rev'd on other grounds*, 689 F.2d 317 (2d Cir. 1982) (holding that First Amendment interests did not protect the defendants' use of the actual identity of Groucho Marx).[17] *See Estate of Presley* v. *Russen*, 513 F.Supp. 1339 (D.N.J. 1981) (upholding right of publicity claim against the producer of an Elvis Presley impersonation and rejecting First Amendment arguments).

If anything, the First Amendment issues necessarily posed by the instant case are exacerbated by the startlingly broad view taken by the Ninth Circuit of the right of publicity tort itself. Rulings which take such sweeping views of the nature of the right of publicity necessarily put at risk creative efforts (such as conceiving of, building, programming and displaying the robots at issue here) that the First Amendment would ordinarily protect. They do so without any of the protective devices established in other areas of intellectual property law for the purpose of assuring consistency with First Amendment principles. In *Zacchini*, for example, this Court analogized right of publicity claims to those sounding

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[17] While not addressing the issue in any detail, the Court of Appeals for the Second Circuit did observe that any consideration of First Amendment issues in the case would have to "examine closely defendants' substantial argument that their play is protected expression as a literary work. . . ." 689 F.2d at 319 n.2.

in copyright. *Zacchini*, 433 U.S. at 573. In copyright law, however, this Court has long recognized that the complete protection of ideas (as opposed to expression) *from* copyright protection "strike[s] a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author's expression." *Harper & Row Publishers, Inc.*, 471 U.S. at 556. The existence of fair use protection in copyright law, the Court has also observed, is itself a First Amendment protection embodied in the statute. *Id.* at 559.[18] But the Ninth Circuit's version of California's law or right of publicity is one, as Judge Kozinski observed, in which both those features are "conspicuously absent." *White*, 989 F.2d at 1519 n.28.

The determination of the court of appeals to treat the right of publicity tort as if it were unbounded by First Amendment limitations cannot be reconciled with deeply rooted constitutional norms. *See generally* Steven R. Barnett, *First Amendment Limits on the Right of Publicity*, 30 Tort and Ins. L.J. 635 (1995). It is time for this Court to grant plenary review to assure that an errant federal court of appeals does not imperil First Amendment principles by a reading of state law that is so overbroad that conflict with those principles is unavoidable.[19]

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[18] Similar protections are afforded in other statutes protecting intellectual property. The Federal Trademark Law provides a fair use defense. 15 U.S.C. § 1115(b)(4) (1994), as amended; *New Kids on the Block* v. *News America Publishing, Inc.*, 971 F.2d 302, 306 (9th Cir. 1992). So does the Lanham Act. *See Abdul-Jabbar* v. *General Motors Corp.*, 85 F.3d at 407, 412 (9th Cir. 1996).

[19] The urgency of the First Amendment question presents yet another reason why review in this case is appropriate at this time, regardless of the interlocutory nature of the appeal. *See Miami Herald Publishing Co.* v. *Tornillo*, 418 U.S. 241, 247 n.6 (1974) ("[w]hichever way we were to decide on the merits, it would be intolerable to leave unanswered, under the circumstance, an important question of freedom of the press under the First Amendment"). *See also* footnote 11, *supra*.

CONCLUSION

The petition for a writ of *certiorari* should be granted.

Dated: New York, New York
March 27, 2000

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UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 96-55243

Argued and Submitted March 11, 1997
Decided September 22, 1997

GEORGE WENDT, an individual;
JOHN RATZENBERGER, an individual,

Plaintiffs-Appellants.

—v.—

HOST INTERNATIONAL, INC., a Delaware corporation,

Defendant-Appellee,

—and—

PARAMOUNT PICTURES CORPORATION,
a Delaware corporation,

Defendant-Intervenor.

Before:

FLETCHER and TROTT, *Circuit Judges*,
and JENKINS,* *District Judge*.

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* Honorable Bruce S. Jenkins, Senior United States District Judge for the District of Utah, sitting by designation.

Appeal from the United States District Court for the Central District of California; Manuel L. Real, District Judge, Presiding. D.C. No. CV-93-142-R.

DAVID A. PASH, Kinsella, Boesch, Fujikawa & Towle, Los Angeles, CA, *for plaintiffs-appellants.*

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FLETCHER, *Circuit Judge*:

Actors George Wendt and John Ratzenberger appeal the district court's grant of summary judgment in favor of Host International, Inc. ("Host") and applicant in intervention Paramount Pictures Corporation ("Paramount"), dismissing their action for violations of the Lanham Act, 15 U.S.C. § 1125(a), and California's statutory and common law right of publicity. We reverse.

I. OVERVIEW

Wendt and Ratzenberger argue that the district court erred in dismissing their action because they have raised issues of material fact as to whether Host violated their trademark and publicity rights by creating animatronic robotic figures (the "robots") based upon their likenesses without their permission and placing these robots in airport bars modeled upon the set from the television show Cheers. They also appeal the district court's orders excluding appellants' survey evidence, barring presentation of expert testimony, and awarding Host and Paramount attorney's

fees. We have jurisdiction, 28 U.S.C. § 1291, and we reverse and remand for trial.

II. PROCEDURAL HISTORY

In *Wendt* v. *Host*, 1995 WL 115571 (9th Cir. 1995) ("*Wendt I*"), we reversed the first grant of summary judgment in this action and remanded. We held that appellants' state law causes of action were not preempted by federal copyright law and that disputed issues of material fact precluded summary judgment because the district court's comparison of photographs of appellants Wendt and Ratzenberger with photographs of the animatronic figures was not sufficient to resolve their claims under Cal. Civ. Code § 3344:

> The question here is whether the three dimensional animatronic figures are sufficiently similar to plaintiffs to constitute their likenesses. Based on the limited record before us, it cannot be said as a matter of law that the figures are so dissimilar from plaintiffs that no reasonable trier of fact could find them to be 'likenesses.' That question must be determined by a comparison of the actual, three-dimensional entities.

1995 WL 115571 at *2. We concluded that this comparison must be decided without reference to the context in which the image appears. *Id.* (citing *White* v. *Samsung Elec. Am., Inc.*, 971 F.2d 1395, 1397 (9th Cir. 1992), *cert. denied*, 508 U.S. 951, 113 S. Ct. 2443, 124 L.Ed. 2d 660 (1993)). We found that there were disputed issues of material fact concerning the appellants' common law right of publicity claims because the similarity between appellants' physical characteristics and those of the robots is disputed. *Id.* at *3. Finally, we held that the appellants' claims for unfair competition under § 43(a) of the Lanham Act, 15

U.S.C. § 1125(a), require the application of a "well settled eight factor test" to determine whether Host's conduct has created a likelihood of confusion as to whether appellants were endorsing Host's product. *Id.*

Upon remand, the district court granted summary judgment for a second time after an in-court inspection of the robots. It held that it could not "find, by viewing both the robotics and the live persons of Mr. Wendt and Mr. Ratzenberger, that there is any similarity at all . . . except that one of the robots, like one of the plaintiffs, is heavier than the other . . . The facial features are totally different." The district court then awarded attorney's fees to Host and Paramount pursuant to Cal. Civ. Code § 3344.

Appellants argue that despite the district court's comparison of the animatronic figures and the appellants, dismissal was inappropriate because material issues of fact remain as to the degree to which the animatronic figures appropriate the appellants' likenesses. Appellants claim that the district court erred in determining that the robots were not likenesses of the appellants because the "likeness" need not be identical or photographic. Further, they argue that the likeness determination is an issue for the jury to decide in this case. We agree.

III. ANALYSIS

We review a grant of summary judgment *de novo*. *Jesinger* v. *Nevada Federal Credit Union*, 24 F.3d 1127, 1130 (9th Cir. 1994). We must determine, viewing the evidence in the light most favorable to the nonmoving party, whether there are any genuine issues of material fact, and whether the district court correctly applied the relevant substantive law. *Id.* We are not to weigh the evidence or determine the truth of the matter, but only to determine whether there is a genuine issue for trial. *Id.* The district court's rulings excluding damage evidence and expert tes-

timony are governed by an abuse of discretion standard, and should not be reversed absent some prejudice. *Masson* v. *New Yorker Magazine, Inc.*, 85 F.3d 1394, 1399 (9th Cir. 1996). Our review is governed by the 'law of the case' doctrine, which prevents courts from "reconsidering an issue previously decided by the same court, or a higher court in the identical case." *Securities Investor Protection Corp.* v. *Vigman*, 74 F.3d 932, 937 (9th Cir. 1996).

A. The Statutory Right of Publicity

California Civil Code § 3344 provides in relevant part:

> [a]ny person who knowingly uses another's name, voice, signature, photograph, or likeness, in any manner, . . . for purposes of advertising or selling, . . . without such person's prior consent . . . shall be liable for any damages sustained by the person or persons injured as a result thereof.

In *White*, 971 F.2d at 1397, we ruled that a robot with mechanical features was not a "likeness" under § 3344. However, we specifically held open the possibility that a manikin molded to Vanna White's precise features, or one that was a caricature or bore an impressionistic resemblance to White might become a likeness for statutory purposes. *Id.* The degree to which these robots resemble, caricature, or bear an impressionistic resemblance to appellants is therefore clearly material to a claim of violation of Cal. Civ. Code § 3344. Summary judgment would have been appropriate upon remand only if no genuine issues of material fact concerning that degree of resemblance were raised by appellants. Fed. R. Civ. P. 56.

Despite the district court's assertions that no reasonable jury could find that the robots are "similar in any manner whatsoever to Plaintiffs," we respectfully disagree. Without making any judgment about the ultimate similarity of

the figures to the appellants, we conclude from our own inspection of the robots that material facts exist that might cause a reasonable jury to find them sufficiently "like" the appellants to violate Cal. Civ. Code § 3344.

We reject appellees' assertion that *Fleet* v. *CBS*, 50 Cal. App. 4th 1911, 58 Cal. Rptr. 2d 645 (1996) is new controlling authority that requires us to revisit the determination on first appeal that appellants' § 3344 claims are not preempted by federal copyright law. *Wendt I*, 1995 WL 115571, at *1. *Fleet* is not controlling new authority on the preemption issue. It holds that an actor may not bring an action for misappropriation under Cal. Civ. Code § 3344 when the only claimed exploitation occurred through the distribution of the actor's performance in a copyrighted movie. *Id.* at 651 ("Appellants may choose to call their claims misappropriation of right to publicity, but if all they are seeking is to prevent a party from exhibiting a copyrighted work they are making a claim equivalent to an exclusive right within the general scope of copyright.") (internal quotations omitted).

Appellants here are not seeking to prevent Paramount from exhibiting its copyrighted work in the Cheers series. As we stated in *Wendt I*, their "claims are not preempted by the federal copyright statute so long as they 'contain elements, such as the invasion of personal rights . . . that are different in kind from copyright infringement.' " *Wendt I*, 1995 WL 115571 at *1 (quoting *Waits* v. *Frito-Lay, Inc.*, 978 F.2d 1093, 1100 (9th Cir. 1992)) (citing H.R. Rep. No. 1476, 94th Cong., 2d Sess. 132 (1976)). The *Fleet* court acknowledged that it simply found a fact-specific exception to the general rule that "as a general proposition section 3344 is intended to protect rights which cannot be copyrighted." *Fleet*, 58 Cal. Rptr. 2d at 649.

Appellants' claims are not preempted by federal copyright law. Issues of material fact exist concerning the degree to which the robots are like the appellants. We

reverse the grant of summary judgment on the claim under Cal. Civ. Code § 3344.

B. Common-Law Right of Publicity

California recognizes a common law right of privacy that includes protection against appropriation for the defendant's advantage of the plaintiff's name or likeness. *Eastwood* v. *Super. Ct. for Los Angeles County*, 149 Cal.App.3d 409, 198 Cal. Rptr. 342, 347 (Cal. Ct. App. 1983). The right to be protected against such appropriations is also referred to as the "right of publicity." *Id.* A common law cause of action for appropriation of name or likeness may be pleaded by alleging 1) the defendant's use of the plaintiff's identity; 2) the appropriation of plaintiff's name or likeness to defendant's advantage, commercially or otherwise; 3) lack of consent; and 4) resulting injury. *Id.* (citing Prosser, Law of Torts § 117, 804-07 (4th ed. 1971)).

> The so-called right of publicity means in essence that the reaction of the public to name and likeness, which may be fortuitous or which may be managed and planned, endows the name and likeness of the person involved with commercially exploitable opportunities. The protection of name and likeness from unwarranted intrusion or exploitation is the heart of the law of privacy.

Lugosi v. *Universal Pictures*, 25 Cal.3d 813, 160 Cal.Rptr. 323, 603 P.2d 425, 431 (1979).

We have held that this common-law right of publicity protects more than the knowing use of a plaintiff's name or likeness for commercial purposes that is protected by Cal. Civ. Code § 3344. It also protects against appropriations of the plaintiff's identity by other means. *See White*, 971 F.2d at 1398 ("[a] rule which says that the right of publicity can be infringed only through the use of nine different methods of appropriating identity merely challenges the clever

advertising strategist to come up with the tenth."); *see also Abdul-Jabbar* v. *General Motors Corp.*, 85 F.3d 407, 415 (9th Cir. 1996) (common law right protects identity, which is more flexible than the statutory 'laundry list' of particular means of appropriation); *Midler* v. *Ford Motor Co.*, 849 F.2d 460, 463-64 (9th Cir. 1988) (concluding that there was a claim for violation under common law right of publicity, but not Cal. Civ. Code § 3344, for use of sound-alike singer in advertisement); *Motschenbacher* v. *R.J. Reynolds Tobacco Co.*, 498 F.2d 821, 827 (9th Cir. 1974) (concluding that there was a common-law claim from use of an identifiable race car in an advertisement, even though name or likeness of famous driver was not visible).

Appellees argue that the figures appropriate only the identities of the characters Norm and Cliff, to which Paramount owns the copyrights, and not the identities of Wendt and Ratzenberger, who merely portrayed those characters on televsion and retain no licensing rights to them. They argue that appellants may not claim an appropriation of identity by relying upon indicia, such as the Cheers Bar set, that are the property of, or licensee of, a copyright owner. *Sinatra* v. *Goodyear Tire & Rubber Co.*, 435 F.2d 711, 716 (9th Cir. 1970).

Appellants freely concede that they retain no rights to the characters Norm and Cliff; they argue that the figures, named "Bob" and "Hank," are not related to Paramount's copyright of the creative elements of the characters Norm and Cliff. They argue that it is the physical likeness to Wendt and Ratzenberger, not Paramount's characters, that has commercial value to Host.

While it is true that appellants' fame arose in large part through their participation in Cheers, an actor or actress does not lose the right to control the commercial exploitation of his or her likeness by portraying a fictional character. *Lugosi*, 160 Cal.Rptr. 323, 603 P.2d at 431.

Appellants have raised genuine issues of material fact concerning the degree to which the figures look like them. Because they have done so, appellants have also raised triable issues of fact as to whether or not appellees sought to appropriate their likenesses for their own advantage and whether they succeeded in doing so. *See Midler*, 849 F.2d at 463. The ultimate issue for the jury to decide is whether the defendants are commercially exploiting the likeness of the figures to Wendt and Ratzenberger intending to engender profits to their enterprises. *See Eastwood*, 198 Cal. Rptr. at 349 ("The first step toward selling a product or service is to attract the consumer's attention.") We therefore reverse the grant of summary judgment on the common law right of publicity claim.

C. Unfair Competition

Section 43(a) of the Lanham Act (15 U.S.C. § 1125(a)) prohibits, *inter alia*, the use of any symbol or device which is likely to deceive consumers as to the association, sponsorship, or approval of goods or services by another person. The appellants' claim is for false endorsement—that by using an imitation of their unique physical characteristics, Host misrepresented their association with and endorsement of the Cheers bars concept.

In *Waits*, 978 F.2d at 1110, we held such a claim actionable under § 43(a):

> [a] false endorsement claim based on the unautho rized use of a celebrity's identity . . . alleges the mis use of a trademark, *i.e.*, a symbol or device such as a visual likeness, vocal imitation, or other uniquely distinguishing characteristic, which is likely to confuse consumers as to the plaintiff's sponsorship or approval of the product.

In *Wendt I* we held that appellants would have a claim if "Host's conduct had created a likelihood of confusion as to whether plaintiffs were endorsing Host's product." 1995 WL 115571 at *3. In order to determine whether or not such confusion is likely to occur, we referred to a "well settled eight factor test" to be applied to celebrity endorsement cases, *Newton* v. *Thomason*, 22 F.3d 1455, 1462 (9th Cir. 1994). This test requires the consideration of:

1) the strength of the plaintiff's mark;[1]

2) relatedness of the goods;

3) similarity of the marks;

4) evidence of actual confusion;

5) marketing channels used;

6) likely degree of purchaser care;

7) defendant's intent in selecting the mark;

8) likelihood of expansion of the product lines.

Id. at 1462 (citing *AMF, Inc.* v. *Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979)).

In *Wendt I* we concluded that one of the primary factors of this test was the 'similarity of the marks' and because there was a disputed issue of material fact as to that issue, summary judgment was inappropriate on this claim.

On remand, however, the district court simply compared the robots with the appellants in the courtroom and awarded judgment because there was "no similarity at all." The district court erred in failing independently to analyze any of the other relevant factors to determine whether or not there was a likelihood of confusion to consumers as to

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[1] In a case involving confusion over endorsement by a celebrity plaintiff, 'mark' means the celebrity's persona and the strength of the mark refers to the level of recognition the celebrity enjoys. *White*, 971 F.2d at 1400.

whether appellants sponsored, approved of, or were otherwise associated with the Cheers bars.

The Lanham Act's 'likelihood of confusion' standard is predominantly factual in nature. Summary judgment is inappropriate when a jury could reasonably conclude that most of the factors weigh in a plaintiff's favor. *Abdul-Jabbar*, 85 F.3d at 413 (9th Cir. 1996). *See also MDT Corporation* v. *New York Stock Exchange, Inc.*, 858 F. Supp. 1028, 1032 (C.D. Cal. 1994) (summary judgment disfavored in trademark cases because the ultimate issue of likelihood of confusion is so inherently factual).

Application of these factors indicates that the district court erred in rejecting appellants' Lanham Act claim at the summary judgment stage because a jury could reasonably conclude that most of the factors weigh in appellants' favor. Wendt and Ratzenberger were principal players on Cheers, a popular television show. They are clearly well-known among the target customers of Host's Cheers bars. For the purposes of this analysis, a jury could reasonably conclude that their mark is strong.

For the same reason, their 'goods' (their skill and fame as actors) are obviously related to Host's 'goods' (the products sold in the Cheers bars and the bars themselves) even if they are not strictly competitive. The issue is whether a consumer would be confused as to Wendt and Ratzenberger's association with or sponsorship of Host's bars. *See White*, 971 F.2d at 1400 ("In cases concerning confusion over celebrity endorsement, the plaintiff's 'goods' concern the reasons for or source of the plaintiff's fame.") The source of their fame and the Host bars are identical: the Cheers television series. A jury could conclude that this factor weighs in appellants' favor because it would be reasonable for a customer to be confused as to the nature of Wendt and Ratzenberger's association with Host's Cheers bars and the goods sold there.

The third factor, the similarity of the marks, is the primary issue in dispute. Because appellants have raised triable issues of material fact concerning the degree to which the robots resemble the appellants, a reasonable jury might find that this factor weighs in appellants' favor. Under the Lanham Act, in camera inspection is not sufficient; the district court must view the marks "as they appear in the marketplace." *E & J Gallo Winery* v. *Gallo Cattle Co.*, 967 F.2d 1280, 1291 (9th Cir. 1992).

Appellants presented evidence of actual confusion, the fourth factor. Both Ratzenberger and Wendt stated in their declarations that they have been approached by members of the public who commented on the similarity between the appellants and the robots at the Cheers airport bars: "The usual comment is some variation on 'Hey George, I just had a drink with you in Kansas City.' " They also submitted evidence of consumer confusion to the district court prior to summary judgment in the form of survey evidence. The court rejected this evidence as "not a good survey." For reasons detailed below, this evidence should not have been excluded. Sufficient evidence exists by which a reasonable jury might infer actual consumer confusion.

The fifth factor, marketing channels used, weighs in the appellants' favor. The allegation is that Host is appropriating appellants' likenesses because the target audience of the Cheers bars are customers who are fans of the television series. Such a similarity in marketing channels suggests that there is at least a likelihood of consumer confusion.

The sixth factor, likely degree of purchaser care, weighs in favor of appellants as well. Consumers are not likely to be particularly careful in determining who endorses or is affiliated with an airport bar in which they might purchase only a single beverage. They will be even less likely to scrutinize the source of the animatronic figures which are not for sale, but are used instead to attract patrons to the

bars. This low degree of care makes confusion of sponsorship likely. *See White*, 971 F.2d at 1400 ("consumers are not likely to be particularly careful in determining who endorses VCR's, making confusion as to their endorsement more likely.")

The seventh factor is defendant's intent in selecting the mark. Appellants have alleged facts that could give rise to an inference that Host intended to confuse customers as to Wendt and Ratzenberger's sponsorship or endorsement of the Cheers bars by creating robots with their physical characteristics. *See AMF, Inc.* v. *Sleekcraft Boats*, 599 F.2d 341, 354 (9th Cir. 1979) ("When the alleged infringer knowingly adopts a mark similar to another's, reviewing courts presume that the defendant can accomplish his purpose: that is, that the public will be deceived."). In their opposition to summary judgment appellants submitted evidence that Host intentionally designed the animatronic figures to resemble Wendt and Ratzenberger and that it recognized from the outset that the value of the association with Wendt and Ratzenberger themselves was "a major drawing card of the Cheers concept." After being advised that appellants would not agree to the use of their likenesses, Host altered the robots cosmetically, named them "Hank" and "Bob,"[2] and refused to recast them into a "friendly neighborhood couple," as they were advised to do by Paramount. Based on this evidence, an inference can be raised that Host intended to exploit the appellants' celebrity by confusion as to the similarity between the figures and the appellants.

We have found that the eighth factor, likelihood of expansion of the product lines, "does not appear apposite to a celebrity endorsement case," *White*, 971 F.2d at 1401. Here, however, Ratzenberger has offered evidence that he would like to appear in advertisements for beer and has

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[2] Until that point "Hank" was referred to in the record as "Cliff" and "Bob" as "Norm."

declined offers from small breweries in order to be available to a large brewery. "Inasmuch as a trademark owner is afforded greater protection against competing goods, a 'strong possibility' that either party may expand his business to compete with the other will weigh in favor of finding that the present use is infringing." *Sleekcraft*, 599 F.2d at 354 (citing Restatement of Torts § 731(b)). This factor therefore weighs in appellants' favor as the potential exists that in the future Ratzenberger's endorsement of other beers would be confused with his alleged endorsement of the beers sold at Host's bars.

A reasonable jury could conclude that most of the factors weigh in appellants' favor and that Host's alleged conduct creates at least the likelihood of consumer confusion. Whether appellants' Lanham Act claim should succeed, of course, is a matter for the jury. Accordingly, we reverse the dismissal of the unfair competition claim and remand.

D. Exclusion of Survey Evidence

In their opposition to Paramount's summary judgment motion, appellants offered into evidence the results of a consumer survey taken in the vicinity of the Cheers bars at the Cleveland and Kansas City airports. The district court refused to admit the evidence, saying that the evidence was "not a good survey."

As the record stood, the refusal was an abuse of discretion. In trademark cases, surveys are to be admitted as long as they are conducted according to accepted principles and are relevant. *E & J Gallo Winery*, 967 F.2d at 1280; *see also Prudential Ins. Co. of Am.* v. *Gibraltar Fin. Corp.*, 694 F.2d 1150, 1156 (9th Cir. 1982). Challenges to survey methodology go to the weight given the survey, not its admissibility. *Prudential Ins.*, 694 F.2d at 1156. However, because of the paucity of the record, upon remand, the parties should have the opportunity respectively to lay a foun-

dation for the admission of the survey or to challenge the adequacy of the foundation.

E. Exclusion of Expert Testimony

Prior to the first appeal in this case the district court issued a Preclusion Order barring the introduction of expert testimony as a sanction against appellants' former counsel for failure to disclose damage evidence and for being late disclosing experts. Upon remand, the district court denied appellants' request that it vacate its order.

The initial Preclusion Order was issued on August 9, 1993 as a sanction against appellants' former counsel. At that time, counsel's failure to comply with discovery rules potentially prejudiced Host and Paramount's ability to prepare adequately for trial. Today, that is not so. Both parties now have ample opportunity to begin the expert disclosure procedure anew.

Wanderer v. *Johnston*, 910 F.2d 652, 656 (9th Cir. 1990), requires us to determine whether a sanction is proper under a five-factor test analyzing: 1) the public's interest in expeditious resolution of litigation; 2) the court's need to manage its docket; 3) the risk of prejudice to the defendants; 4) the public policy favoring disposition of cases on their merits; 5) the availability of less drastic sanctions. We conclude that under this test, the Preclusion Order is no longer proper. Less drastic sanctions are available and the defendants are no longer prejudiced by the actions of appellants' former counsel. We grant appellants' request to vacate the Preclusion Order upon remand. However, the district court, may, in its discretion, impose reasonable monetary sanctions upon appellants' former counsel for failure to comply with discovery rules.

F. Attorney's Fees

Because we reverse the grant of summary judgment under Cal. Civ. Code § 3344, we reverse the grant of attorney's fees to Host and Paramount and deny their requests for attorney's fees on appeal.

IV. CONCLUSION

The grant of summary judgment is reversed and the case is remanded to the district court for trial. The admission of the survey evidence should be reconsidered at trial. The Preclusion Order is vacated and appropriate sanctions other than preclusion may be considered. The grant of attorney's fees is reversed.

REVERSED and REMANDED.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

No. 93-0142-R
Filed January 19, 1996

GEORGE WENDT, an individual, and
JOHN D. RATZENBERGER, an individual,

Plaintiffs,

—vs.—

HOST INTERNATIONAL, INC., a Delaware corporation,

Defendant.

PARAMOUNT PICTURES CORPORATION,
a Delaware corporation,

Applicant in Intervention.

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DEFENDANT IN INTERVENTION PARAMOUNT PICTURES CORPORATION'S SEPARATE STATEMENT OF UNCONTROVERTED FACTS AND CONCLUSIONS OF LAW IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

After consideration of the papers submitted in support of and in opposition to the motion by Defendant in Intervention Paramount Pictures Corporation ("Paramount") for summary judgment, in which defendant Host International, Inc. ("Host") joined, as well as the oral testimony of witnesses, argument of counsel and a three-dimensional comparison of the two plaintiffs and the two animatronic figures, the Court determines that the following facts have been established as:

UNCONTROVERTED FACTS

Fact	*Evidence*
1. Paramount owns the copyright to each episode of the "Cheers" television series.	Declaration of Karen Magid and Exhibits 1 through 4 thereto.
2. The animatronic figures "Bob" and "Hank", admitted into evidence as Exhibits 1 and 2, respectively, and Plaintiffs George Wendt and John D. Ratzenberger were in Court for the hearing on the motion for summary judgment on December 18,	Memorandum of Opinion at page 4.

1995, so the Court could make a three-dimensional comparison of the Plaintiffs and the animatronic figures as directed by the Ninth Circuit.	
3. The Court made the required three-dimensional comparison which included having Plaintiffs stand next to and assume similar postures to those of Exhibits 1 and 2.	Plaintiffs and Exhibits 1 and 2.
4. The facial features of Exhibits 1 and 2 and the Plaintiffs are totally different.	Exhibits 1 and 2 and Plaintiffs.
5. The "Bob" and "Hank" animatronic figures (Exhibits 1 and 2) are not likenesses of Plaintiffs.	Exhibits 1 and 2 and Plaintiffs.
6. The "Bob" and "Hank" animatronic figures (Exhibits 1 and 2) are not similar in appearance in any way to Plaintiffs.	Exhibits 1 and 2 and Plaintiffs.
7. The "Bob" and "Hank" animatronic figures (Exhibits 1 and 2) are the figures which are normally located in the Las Vegas Host airport facility and their appearance has not changed	Testimony of Robert Ebert.

since they were originally installed in Las Vegas.

8. The animatronic figures in all the Host facilities are virtually identical in appearance to Exhibits 1 and 2.	Pre-trial conference order ¶¶ 5ff and 5gg, and testimony of Stanley Novack.

Based upon the foregoing, the Court now makes its:

CONCLUSIONS OF LAW

1. The Court has jurisdiction over this action pursuant to 28 U.S.C §§ 1331 and 1338.

2. Paramount owns the copyright to each episode of the television series known as "Cheers" and to all copyrightable components contained therein, including the fictional characters "Norm" and "Cliff" and any derivative works. Paramount was entitled to license Host to create Cheers bars using the Cheers decor, theme and characters.

3. Exhibits 1 and 2 are derivative works of the "Cheers" television series.

4. No reasonable jury could find that Exhibits 1 and 2 are likenesses of Plaintiffs.

5. No reasonable jury could find that Exhibits 1 and 2 are similar in any manner whatsoever to Plaintiffs.

6. Plaintiffs' claims for infringement of right of publicity, invasion of privacy by appropriation of name and likeness (California Civil Code Section 3344), and invasion of privacy, all fail because Exhibits 1 and 2 are not likenesses of Plaintiffs, are not similar in any way to Plaintiffs and do not, in any sense, misappropriate Plaintiffs' respective identities.

7. Plaintiffs' claims of unfair competition under the Lanham Act and California Business and Professions Code §§ 17200, et seq., and the claim for unjust enrichment fail because Plaintiffs are not similar in any way to and are completely different from Exhibits 1 and 2, there is no relatedness of the goods, there is no actual confusion, the marketing channels are totally dissimilar, and there is no likelihood of confusion.

8. Plaintiffs have no rights, proprietary or otherwise, in the fictional characters "Norm" and "Cliff".

9. Plaintiffs have no rights, proprietary or otherwise, in their respective portrayals of the fictional characters "Norm" and "Cliff".

JUDGMENT

Judgment shall be entered in favor of Paramount and Host and each of them and against Plaintiffs, and each of them, consistent herewith.

DATED: January 19, 1996 /s/ MANUEL L. REAL
UNITED STATES
DISTRICT JUDGE

SUBMITTED BY:

GREENBERG, GLUSKER, FIELDS, CLAMAN
& MACHTINGER

By: /s/ ROBERT S. CHAPMAN
ROBERT S. CHAPMAN

Attorneys for PARAMOUNT
PICTURES CORPORATION

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

No. 93-0142-R
Filed January 19, 1996

GEORGE WENDT, an individual, and
JOHN D. RATZENBERGER, an individual,

Plaintiffs,

—VS.—

HOST INTERNATIONAL, INC., a Delaware corporation,

Defendant.

PARAMOUNT PICTURES CORPORATION,
a Delaware corporation,

Applicant in Intervention.

BERTRAM FIELDS/State Bar No. 024199
ROBERT S. CHAPMAN/State Bar No. 070428
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PARAMOUNT PICTURES CORPORATION

JUDGMENT

This matter came on for hearing before the Court on December 18, 1995 and January 2, 1996, the Honorable Manuel L. Real, United States District Judge, presiding, on Defendant in Intervention Paramount Pictures Corporation's Motion for Summary Judgment in which Defendant Host International, Inc. joined. The evidence presented having been fully considered, the issues having been duly heard, and a decision having been duly rendered,

IT IS ORDERED AND ADJUDGED that Plaintiffs George Wendt and John D. Ratzenberger recover nothing on their complaint against Defendant in Intervention Paramount Pictures Corporation and Defendant Host International, Inc.

IT IS FURTHER ORDERED AND ADJUDGED that Defendant in Intervention Paramount Pictures Corporation recover costs in the sum of $_____ and attorneys' fees in the sum of $_____ and that Defendant Host International, Inc. recover costs in the sum of $_____ and attorneys' fees in the sum of $_____.

DATED: January 19, 1996 /s/ MANUEL L. REAL
Manuel L. Real, Judge
United States
District Court

SUBMITTED BY:

GREENBERG, GLUSKER, FIELDS,
CLAMAN & MACHTINGER

By: /s/ ROBERT S. CHAPMAN
ROBERT S. CHAPMAN

Attorneys for Defendant in Intervention
PARAMOUNT PICTURES CORPORATION

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

Nos. 93-56318, 93-56510
Argued and Submitted Feb. 7, 1995
Decided March 16, 1995

GEORGE WENDT and JOHN D. RATZENBERGER,

Plaintiffs-Appellants,

—v.—

HOST INTERNATIONAL, INC.,

Defendant-Appellee.

PARAMOUNT PICTURES CORPORATION,

Applicant in Intervention-Appellee.

Appeal from the United States District Court, for the Central District of California, D.C. No. CV-93-00142-R; Manuel L. Real, District Judge, Presiding.

REVERSED.

Before:

FERGUSON, BEEZER and NOONAN,
Circuit Judges.

MEMORANDUM*

Plaintiffs George Wendt and John Ratzenberger appeal the district court's grant of summary judgment in favor of defendant Host International, Inc. ("Host") and applicant in intervention Paramount Pictures Corporation ("Paramount"), as well as the district court's orders awarding Host and Paramount their attorney fees. This case involves claims arising from the alleged appropriation of plaintiffs' identities in the design of animatronic figures placed in bars operated by defendant Host. We have jurisdiction, 28 U.S.C. § 1291, and we reverse.

I

We review a grant of summary judgment de novo. *Jesinger* v. *Nevada Fed. Credit Union*, 24 F.3d 1127, 1130 (9th Cir.1994). We view the evidence in the light most favorable to the nonmoving party, and must determine whether there are disputed issues of material fact and whether the district court correctly applied the substantive law. *Id.* at 1339-40.

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* This disposition is not appropriate for publication and may not be cited to or used by the courts of this circuit except as provided by Ninth Circuit Rule 36-3.

II

At the outset, we wish to make it clear that this is not a preemption case. Plaintiffs' causes of action are not preempted by federal copyright law. *Midler* v. *Ford Motor Co.*, 849 F.2d 460, 462-63 (9th Cir.1988) ("What is put forward as protectable here is more personal than any work of authorship. . . . A voice is as distinctive as a face.") (emphasis added). More broadly, plaintiffs' claims are not preempted by the federal copyright statute so long as they "contain elements, such as the invasion of personal rights . . . that are different in kind from copyright infringement." *Waits* v. *Frito Lay, Inc.*, 978 F.2d 1093, 1100 (9th Cir.1992) (quoting H.R.Rep. No. 1476, 94th Cong., 2d Sess. 132, reprinted in 1976 U.S.C.C.A.N. 5659, 5748), *cert. denied*, 113 S.Ct. 1047 (1993).

In *Waits*, we held that the unauthorized commercial use of one's identity is an invasion of "a personal property right," different in kind from copyright infringement. 978 F.2d at 1100. This is true because the torts at issue require the proof of additional elements beyond those essential to show copyright infringement. *See id.* For example, both section 334 and the common law right of publicity tort require proof that the defendant's use of the plaintiff's "likeness" or "identity" was commercial (*i.e.* connected with selling or promoting a product), whereas copyright infringement occurs with any unauthorized copying of the protected material. *See* 17 U.S.C. §§ 106, 501; *Brown Bag Software* v. *Symantec Corp.*, 960 F.2d 1465, 1472 (9th Cir.), *cert. denied*, 113 S.Ct. 198 (1992).

Plaintiffs' state law causes of action are not preempted by the operation of federal copyright statutes.

III

The district court ruled, based upon photographs of Wendt, Ratzenberger and the "Hank" and "Bob" animatronic figures, that, as a matter of law, the figures were insufficiently similar to plaintiffs to constitute their "likenesses" under California Civil Code section 3344. We disagree; there are disputed issues of material fact which preclude summary judgment.

"Section 3344 is a statutory enactment of the commercial appropriation derivation of the common-law right to privacy. *See* W. Page Keeton et al., Prosser and Keeton on Torts § 117, at 851-52 (5th ed. 1984). In pertinent part, it provides that "[a]ny person who knowingly uses another's name, voice, signature, photograph, or likeness, in any manner . . . for purposes of advertising or selling . . . without such person's prior consent . . . shall be liable for any damages sustained by the person or persons injured as a result thereof." Cal. Civ. Code § 3344 (West 1995). A "likeness" refers to a visual image of a person, other than a photograph. *Midler*, 849 F.2d at 463; *see also* Cal.Civ.Code § 3344(b) (defining "photograph").

In *White* v. *Samsung Electronics America, Inc.*, 971 F.2d 1395, 1397 (9th Cir.1992), *cert. denied*, 113 S.Ct. 2443 (1993), we determined that a robot in a blonde wig with metallic, mechanical features was not the "likeness" of Vanna White under section 3344. Importantly, White makes it clear that whether an image is a "likeness" under section 3344 must be decided without reference to the context in which the image appears. In concluding that White's claim failed, we stated that we were not "deciding for all purposes when a caricature or impressionistic resemblance might become a 'likeness.' " *Id.* Thus, *White* is not controlling here.

In *White*, the court determined that, although the robot was not a "likeness" of the plaintiff, the context in which

the robot appeared created a material issue of fact as to whether the defendants had appropriated the plaintiff's identity within the meaning of the California common law right of publicity.[1] *Id.* at 1397-99. Hence, under section 3344, whether the animatronic figures are likenesses of Wendt and Ratzenberger must be determined without reference to the familiar clothing and setting in which the figures appear.

The district court compared photographs of plaintiffs Wendt and Ratzenberger with photographs of the animatronic figures and took "judicial notice" of the fact that the figures were not identical to plaintiffs. This conclusion appears to have been the basis of the district court's summary judgment on the section 3344 claims. We need not determine whether the district court's purported taking of judicial notice was correct. Assuming that the facts judicially noticed are true, the case is not at an end. The question here is whether the three dimensional animatronic figures are sufficiently similar to plaintiffs to constitute their likenesses. Based on the limited record before us, it cannot be said as a matter of law that the figures are so dissimilar from plaintiffs that no reasonable trier of fact could find that them to be "likenesses." That question must be determined by a comparison of the actual, three-dimensional entities.

IV

As to the plaintiffs' common law right of publicity claims, the parties dispute the correct legal standards to be applied. We need not determine the exact reach of the law; we conclude that even under the narrowest definition there is a disputed issue of material fact.

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[1] The robot appeared in a Samsung commercial, standing in plaintiff's customary position on a facsimile of the set of the "Wheel of Fortune" game show.

Appellees contend that the dress and setting in which the animatronic figures appear invoke the characters "Norm" and "Cliff," rather than the plaintiffs' identities as individuals. Paramount argues that the "Norm" and "Cliff" characters are its property, not part of plaintiffs' identities protected under the right of publicity. Even if we assume that this is correct, and we make no such holding, we have already explained that the similarity between plaintiffs' human physical characteristics and those of the figures is sufficient to create a disputed issue of material fact.

V

Plaintiffs' final substantive claim is for unfair competition under section 43(a) the Lanham Act (15 U.S.C. § 1125(a)).

In this situation, section 43(a) will provide a cause of action for Wendt and Ratzenberger if Host's conduct has created a likelihood of confusion as to whether plaintiffs were endorsing Host's product. *White*, 971 F.2d at 1399-1400. There is a well settled eight factor test to be applied to celebrity endorsement cases under section 43(a). *Newton* v. *Thomason*, 22 F. 3d 1455, 1462 (9th Cir. 1994).

In light of our other holdings, it is sufficient to observe that one of the primary factors to be considered is the "similarity of the marks." *Id.* As there is a disputed issue of material fact as to the similarity between plaintiffs and the figures, summary judgment was inappropriate on this claim.

VI

Plaintiffs challenge the district court's ruling on a motion *in limine* brought by Host. That ruling is not properly before us at this time. The motion is not dispositive of the

case. We are remanding the case for trial, and have no way to divine what the state of the record will be after the trial is complete. We express no opinion on the propriety of the district court's ruling.

VII

The judgment of the district court is REVERSED.

The district court's attorney fee awards are VACATED. As no party has yet prevailed on the merits, no additional award of attorney fees is appropriate at this time.

REVERSED in part, VACATED in part and REMANDED.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

No. 93-0142-R
Filed August 25, 1993

GEORGE WENDT, an individual, and
JOHN D. RATZENBERGER, an individual,

Plaintiffs,

—vs.—

HOST INTERNATIONAL, INC., a Delaware corporation,

Defendant.

PARAMOUNT PICTURES CORPORATION,
a Delaware corporation,

Applicant in Intervention.

BERTRAM FIELDS/State Bar No. 024199
ROBERT S. CHAPMAN/State Bar No. 070428
CARRIE A. LEVINSON/State Bar No. 119760
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Attorneys for Defendant in Intervention
PARAMOUNT PICTURES CORPORATION

DEFENDANT IN INTERVENTION PARAMOUNT PICTURES CORPORATION'S SEPARATE STATEMENT OF UNCONTROVERTED FACTS AND CONCLUSIONS OF LAW IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

After consideration of the papers submitted in support of and in opposition to the motion by Defendant in Intervention Paramount Pictures Corporation ("Paramount"), for summary judgment, in which defendant Host International, Inc. ("Host") joined, as well as the oral argument of counsel, the court determines that the following facts have been established as:

UNCONTROVERTED FACTS

Fact	*Evidence*
1. Paramount owns the copyright to each episode of the "Cheers" television series.	a. Declaration of Robert Cohen and Exhibits 1-4 thereto.
2. Photographs depicting Plaintiffs George Wendt and John D. Ratzenberger are attached as Exhibit 154 to Defendant Host International, Inc.'s Memorandum of Contentions of Fact and Law, filed June 28, 1993.	a. Request for Judicial Notice, filed concurrently herewith.
3. Photographs depicting the "Hank" and "Bob" animatronic figures at issue in this lawsuit are attached	a. Request for Judicial Notice, filed concurrently herewith.

as Exhibit 153 to Defendant Host International, Inc.'s Memorandum of Contentions of Fact and Law, filed June 28, 1993.	
4. The "Hank" and "Bob" animatronic figures are not exact replicas of Plaintiffs.	a. Request for Judicial Notice, filed concurrently herewith.
5. Plaintiffs claim the animatronic figures evoke in the minds of the general public Plaintiffs in the portrayal of their respective roles of "Norm" and "Cliff."	a. Complaint, ¶ 16.

Based upon the foregoing, the court now makes its:

CONCLUSIONS OF LAW

1. The Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338.

2. Paramount owns the copyright to each episode of the television series known as "Cheers" and to all copyrightable components contained therein, including the fictional characters "Norm" and "Cliff."

3. As the copyright holder of each episode of the television series "Cheers" and all copyrighted components contained therein, Paramount has the exclusive rights granted a copyright owner, as set forth in 17 U.S.C. §§ 106 *et seq.*

4. As the copyright owner, Paramount was acting within its rights to the extent it licensed another to create and use, the "Hank" and "Bob" animatronic figures in the manner alleged in this action.

5. As a result, all Plaintiffs claims fail as a matter of law and Paramount and Host are entitled to summary judgment thereon.

6. Plaintiffs' purported claims for infringement of right of publicity; invasion of privacy by appropriation of name and likeness (Cal.Civ.Code § 3344); invasion of privacy; unfair business practices (Bus. & Prof. Code § 17200, *et seq.*) and unjust enrichment conflict with the Copyright Act of 1976 and thus fail as a matter of law by virtue of federal preemption (17 U.S.C. § 301).

7. Each of plaintiffs' claims is premised on the proposition that the "Hank" and "Bob" animatronic figures evoke in the minds of the general public the image of plaintiffs playing their respective fictional roles, and, that as a result, plaintiffs have certain rights to control the commercialization of the animatronic figures. Even if the Court were to assume that the animatronic figures evoke such an image in the minds of the general public (and the Court does not so hold), this does not give plaintiffs proprietary rights in the fictional characters that they played, or the animatronic figures, or otherwise diminish the exclusive rights granted to Paramount as the copyright owner.

8. Accordingly, Plaintiffs' claims fail as a matter of law.

9. The animatronic figures are not "likenesses" of plaintiffs within the meaning of Civil Code section 3344. Accordingly, plaintiffs' purported claim for violation of Civil Code Section 3344 fails as a matter of law.

JUDGMENT

10. Judgment shall be entered in favor of Paramount and Host, and each of them, and against plaintiffs, and each of them, consistent herewith.

DATED: August 25, 1993 /s/ MANUEL L. REAL
UNITED STATES
DISTRICT JUDGE

SUBMITTED BY:

GREENBERG, GLUSKER, FIELDS,
CLAMAN & MACHTINGER

By: /s/ ROBERT S. CHAPMAN
ROBERT S. CHAPMAN
Attorneys for PARAMOUNT
PICTURES CORPORATION

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

No. 93-0142-R
Filed August 25, 1993

GEORGE WENDT, an individual, and
JOHN D. RATZENBERGER, an individual,

Plaintiffs,

—VS.—

HOST INTERNATIONAL, INC., a Delaware corporation,

Defendant.

PARAMOUNT PICTURES CORPORATION,
a Delaware corporation,

Applicant in Intervention.

BERTRAM FIELDS/State Bar No. 024199
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PARAMOUNT PICTURES CORPORATION

JUDGMENT ON PARAMOUNT PICTURES CORPORATION'S MOTION FOR SUMMARY JUDGMENT

This matter came on for hearing before the Court on August 2, 1993, the Honorable Manuel L. Real, United States District Judge, presiding, on Defendant in Intervention Paramount Pictures Corporation's Motion for Summary Judgment in which defendant Host International, Inc. joined. The evidence presented having been fully considered, the issues having been duly heard, and a decision having been duly rendered,

IT IS ORDERED AND ADJUDGED that Plaintiffs George Wendt and John D. Ratzenberger recover nothing on their Complaint against defendant in intervention Paramount Pictures Corporation and defendant Host International, Inc.

IT IS FURTHER ORDERED AND ADJUDGED that defendant in intervention Paramount Pictures Corporation recover costs in the sum of $_____ defendant Host International, Inc. recover costs in the sum of $_____.

DATED: August 25, 1993 /s/ MANUEL L. REAL
MANUEL L. REAL
UNITED STATES
DISTRICT COURT
JUDGE

SUBMITTED BY:

GREENBERG, GLUSKER, FIELDS,
CLAMAN & MACHTINGER

By: /s/ ROBERT S. CHAPMAN
ROBERT S. CHAPMAN
Attorneys for PARAMOUNT
PICTURES CORPORATION

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 96-55243
December 28, 1999

GEORGE WENDT, an individual;
JOHN RATZENBERGER, an individual,

Plaintiffs-Appellants,

—v.—

HOST INTERNATIONAL, INC., a Delaware corporation,

Defendant-Appellee,

—and—

PARAMOUNT PICTURES, CORPORATION,
a Delaware corporation,

Defendant-Intervenor.

Before:

FLETCHER and TROTT, *Circuit Judges*,
and JENKINS,* *District Judge*.

Order; Dissent by Judge KOZINSKI

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* Honorable Bruce S. Jenkins, Senior United States District Judge for the District of Utah, sitting by designation.

ORDER

The panel has voted to deny the petition for rehearing. Judge Trott voted to reject the petition for rehearing *en banc* and Judges B. Fletcher and Jenkins so recommend.

The full court was advised of the petition for rehearing *en banc*. An active Judge requested a vote on whether to rehear the matter *en banc*. The matter failed to receive a majority of the votes in favor of *en banc* consideration. Fed. R. App. P. 35.

The petition for rehearing is denied and the petition for rehearing *en banc* is rejected.

KOZINSKI, *Circuit Judge*, with whom Judges KLEINFELD and TASHIMA join, dissenting from the order rejecting the suggestion for rehearing *en banc*:

Robots again. In *White* v. *Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1399 (9th Cir. 1992), we held that the right of publicity extends not just to the name, likeness, voice and signature of a famous person, but to anything at all that evokes that person's identity. The plaintiff there was Vanna White, Wheel of Fortune letter-turner extraordinaire; the offending robot stood next to a letter board, decked out in a blonde wig, Vanna-style gown and garish jewelry. Dissenting from our failure to take the case *en banc*, I argued that our broad application of the right of publicity put state law on a collision course with the federal rights of the copyright holder. *See* 989 F.2d 1512, 1517-18 (9th Cir. 1993).

The conflict in *White* was hypothetical, since the defendant (Samsung) did not have a license from the Wheel of Fortune copyright holder. Here it is concrete: The panel holds that licensed animatronic figures based on the copyrighted Cheers characters Norm and Cliff infringe on the rights of the actors who portrayed them. As I predicted, White's voracious logic swallows up rights conferred by Congress under the Copyright Act.

I

Though a bit dated now, Cheers remains near and dear to the hearts of many TV viewers. Set in a friendly neighborhood bar in Boston, the show revolved around a familiar scene. Sam, the owner and bartender, entertained the boys with tales of his glory days pitching for the Red Sox. Coach piped in with sincere, obtuse advice. Diane and Frasier chattered self-importantly about Lord Byron. Carla terrorized patrons with acerbic comments. And there were Norm and Cliff, the two characters at issue here. Norm, a fat, endearing, oft-unemployed[1] accountant, parked himself at the corner of the bar, where he was joined by Cliff, a dweebish[2] mailman and something of a know-it-all windbag.[3] After eleven years on the air, the gang at Cheers became like family to many fans, ensuring many more years in syndication. *See* Gebe Martinez, "Cheers" Fans Cry in Their Beers as Sitcom Ends Long Run, L.A. Times, May 21, 1993, at B1.

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[1] Sam: "Hey, what's happening, Norm?"

Norm: "Well, it's a dog-eat-dog world, and I'm wearing Milk Bone underwear."

[2] "There's no rule against postal workers not dating women. It just works out that way."

[3] "It's a little known fact that the tan became popular in what is known as the Bronze Age."

Defendant Host International decided to tap into this keg of goodwill. After securing a license from Paramount, the copyright holder, Host opened a line of Cheers airport bars. To help get patrons into a Cheers mood, Host populated the bars with animatronic figures[4] resembling Norm and Cliff: One is fat; the other is dressed as a mailman.[5]

Plaintiffs George Wendt and John Ratzenberger, the only actors who ever portrayed Norm and Cliff, sued Host for unfair competition and violation of their right of publicity. Paramount intervened, claiming that its copyright pre-empted any claim Wendt and Ratzenberger might have under state law. The district court granted summary judgment for the defendants because it found that the robots didn't look like the plaintiffs: "[T]here is [no] similarity at all . . . except that one of the robots, like one of the plaintiffs, is heavier than the other . . . . The facial features are totally different." 125 F.3d at 809. Relying on *White*, the panel here reverses but offers little explanation beyond the curt assertion that "material facts exist that might cause a reasonable jury to find [the robots] sufficiently 'like' [Wendt and Ratzenberger] to violate" their right of publicity. *Id.* at 810.

II

This case, unlike *White*, pits actor against copyright holder. The parties are fighting over the same bundle of intellectual property rights—the right to make dramatic representations of the characters Norm and Cliff. Host and Paramount assert their right under the Copyright Act to present the Cheers characters in airport bars; Wendt and

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[4] As best the record discloses, these are life-size stuffed dolls that move somewhat and play pre-recorded quips.

[5] In a half-hearted attempt to avoid litigation, Host changed the robots' names to "Hank" and "Bob."

Ratzenberger assert their right under California law to control the exploitation of their likenesses. But to millions of viewers, Wendt and Ratzenberger are Norm and Cliff; it's impossible to exploit the latter without also evoking thoughts about the former.

So who wins? The Copyright Act makes it simple, at least insofar as the plaintiffs interfere with Paramount's right to exploit the Cheers characters. Section 301 of the Copyright Act preempts any state law "legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright[.]" 17 U.S.C. § 301(a). The copyright to Cheers carries with it the right to make derivative works based on its characters. *See generally Warner Bros., Inc.* v. *American Broadcasting Cos.*, 720 F.2d 231, 235 (2d Cir.1983) (Superman copyright belongs to Warner Brothers). The presentation of the robots in the Cheers bars is a derivative work, just like a TV clip, promotion, photograph, poster, sequel or dramatic rendering of an episode. Thus, under federal law, Host has the unconditional right to present robots that resemble Norm and Cliff.

Instead, the panel allows the plaintiffs to pick up where Vanna left off: Copyright or no copyright, anyone who wants to use a figure, statue, robot, drawing or poster that reminds the public of Wendt and Ratzenberger must first obtain (and pay for) their consent. This cannot be squared with the right of the copyright holder to recreate Norm and Cliff however it sees fit. At the very least, Paramount must be able to reproduce the characteristics that bring Norm and Cliff to mind.

The problem lies with the sweeping standard we adopted in *White*. The right of publicity, as defined by the state courts, is limited to using a celebrity's name, voice, face or signature. *See, e.g., Stephano* v. *News Group Publications, Inc.*, 64 N.Y.2d 174, 485 N.Y.S.2d 220, 474 N.E.2d 580, 583-84 (1984) (finding right of publicity under New York

law limited to statutory protection of "name, portrait or picture"); *Lugosi* v. *Universal Pictures*, 25 Cal. 3d 813, 828, 160 Cal.Rptr. 323, 603 P.2d 425 (1979) (Mosk, J., concurring) ("If Bela Lugosi were alive today, he would be unable to claim an invasion of his right to privacy for Universal's exploitation . . . of products created in the image of Count Dracula, a role Lugosi played."). A copyright holder can generally avoid using any of these tangible elements in exploiting its copyright. *White* exploded the right of publicity to include anything that brings the celebrity to mind. *See White*, 971 F.2d at 1399. It's inevitable that so broad and ill-defined a property right will trench on the rights of the copyright holder. According to the panel, Paramount and Host may not use Norm and Cliff in a way that reminds people of the actors who played them and whose identity is therefore fused in the public mind. This is a daunting burden. Can Warner Brothers exploit Rhett Butler without also reminding people of Clark Gable? Can Paramount cast Shelley Long in The Brady Bunch Movie without creating a triable issue of fact as to whether it is treading on Florence Henderson's right of publicity? How about Dracula and Bela Lugosi? Ripley and Sigourney Weaver? Kramer and Michael Richards?

When portraying a character who was portrayed by an actor, it is impossible to recreate the character without evoking the image of the actor in the minds of viewers. Suppose the Seinfeld minions create a spin-off called Kramer. One of the Seinfeld characters was Newman, a fat mailman. Suppose Wayne Knight—the actor who played Newman—won't do Kramer. So Kramer brings in someone else to play Newman, a corpulent actor who (when dressed as a mailman) reminds people of Wayne Knight. What happens when Knight sues? Under *White* and the panel decision here, Knight can go to trial on a claim that the new Newman evokes his (Knight's) identity, even though Castle Rock owns the rights to make derivative works based on

Seinfeld. It would be no defense that everyone knows the new actor is not Wayne Knight; no one, after all, thinks the robots here or in *White* were, in fact, Wendt, Ratzenberger or White. So long as the casting director comes up with a new Newman who reminds the public of the old Newman (i.e. Knight), Knight has a right-of-publicity claim that will at least survive summary judgment. Under the unbounded right of publicity announced in *White*, copyright holders will seldom be able to avoid trial when sued for infringement of the right to publicity. Remember Vanna: Even though the robot looked nothing like her, a jury awarded her $400,000. *See* Vanna White Wins Suit, Wall St. J., Jan. 24, 1994, at B2.[6]

III

The panel's refusal to recognize copyright preemption puts us in conflict with the Seventh Circuit in *Baltimore Orioles, Inc.* v. *Major League Baseball Players Ass'n*, 805 F.2d 663 (7th Cir.1986). Baltimore Orioles held that the baseball clubs—not the players—own the rights to baseball telecasts under copyright law, and the players can't use their state law right of publicity to veto the telecast of their performance. This was so even though the telecast (obviously) used the players' identities and likenesses.

The Seventh Circuit acknowledged that the state law right of publicity gave the players a property interest in their actual performances, *see Zacchini* v. *Scripps-Howard Broadcasting Co.*, 433 U.S. 562, 97 S.Ct. 2849, 53 L.Ed.2d

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[6] To avoid going to trial in such a situation, producers will have to cast new actors who look and sound very different from the old ones. A Seinfeld spin-off thus ends up in a bizarro world where a skinny Newman sits down to coffee with a svelte George, a stocky Kramer, a fat Jerry and a lanky blonde Elaine. Not only is goodwill associated with the old show lost, the artistic freedom of the screenwriters and producers is severely cramped.

965 (1977), but held that this right could not trump the Clubs' right under the Copyright Act to control the telecast. *See* 805 F.2d at 678-79. The Seventh Circuit recognized, as the panel here does not, that the players and the clubs were fighting over the same bundle of intellectual property rights:

> In this litigation, the Players have attempted to obtain *ex post* what they did not negotiate *ex ante*. That is to say, they seek a judicial declaration that they possess a right—the right to control the telecasts of major league baseball games—that they could not procure in bargaining with the Clubs.

Id. at 679. The clubs owned both the right to sell tickets to see the games and the copyright to the telecast. The copyright preempted whatever state law rights the players claimed, at least insofar as state law would prevent ordinary use of the copyrighted work. *See also Fleet* v. *CBS, Inc.*, 50 Cal.App.4th 1911, 1920-21, 58 Cal.Rptr.2d 645 (1996). The same reasoning applies here: The plaintiffs' right to control the use of their likeness is preempted by Paramount's right to exploit the Norm and Cliff characters however it sees fit. If Wendt and Ratzenberger wanted to control how the Cheers characters were portrayed after they left the show, they should have negotiated for it beforehand.[7]

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[7] The Seventh Circuit is not alone in recognizing the need to limit the right of publicity. *See, e.g., Allison* v. *Vintage Sports Plaques*, 136 F.3d 1443, 1447-49 (11th Cir. 1998) (recognizing first sale doctrine as limiting right of publicity). Scholars, too, have soundly rejected *White*. *See* Arlen W. Langvardt, The Troubling Implications of a Right of Publicity "Wheel" Spun Out of Control, 45 U. Kan. L. Rev. 329 (1997); Stephen R. Barnett, First Amendment Limits on the Right of Publicity, 30 Tort & Ins. L.J. 635 (1995); Steven C. Clay, Starstruck: The Overextension of Celebrity Publicity Rights in State and Federal Courts, 79 Minn. L. Rev. 485 (1994); Jeff Sanders, By Force of Persona: How the Right of Publicity Under-

IV

Coming home to roost is yet another problem I warned about in *White*—that a broad reading of the state right of publicity runs afoul of the dormant Copyright Clause, which preempts state intellectual property laws to the extent they "prejudice the interests of other States." *Goldstein* v. *California*, 412 U.S. 546, 558, 93 S.Ct. 2303, 37 L.Ed.2d 163 (1973). Just as a state law regulating the length of trucks is invalid under the dormant Commerce Clause if it poses an undue burden on interstate commerce, *see Kassel* v. *Consolidated Freightways Corp.*, 450 U.S. 662, 674, 101 S.Ct. 1309, 67 L.Ed.2d 580 (1981), so California's right of publicity law is invalid if it substantially interferes with federal copyright law, even absent preemptive legislation.

A copyright licensee must be able to exercise rights which are inherently federal in nature without worrying that 50 separate states will burden those rights. This is most obviously true when state law restricts the display of derivative works outside the borders of its state. *Compare Goldstein*, 412 U.S. at 558, 93 S.Ct. 2303. Yet that is exactly what the panel approves here: Plaintiffs are using California law to stop Host from displaying a copyrighted work in Kansas City and Cleveland. Why California should set the national standard for what is a permissible use of a licensed derivative work is beyond me. Rather than construe the right of publicity narrowly to avoid this constitutional conundrum, *see Crowell* v. *Benson*, 285 U.S. 22, 62, 52 S.Ct. 285, 76 L.Ed. 598 (1932), the panel com-

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mines the First Amendment, 28 Beverly Hills B. Ass'n J. 13 (1994). Even our treatment of Wendt and Ratzenberger's claim has already been criticized. *See* Felix H. Kent, Right of Privacy and of Publicity, N.Y.L.J., Dec. 19, 1997, at 3; Recent Case, 17 No. 4 Ent. L. Rep. 17 (1995).

pounds White's errors by enforcing California's right of publicity way beyond California's borders.

V

The First Amendment concerns raised by *White* are even more pressing here. White was an advertisement and therefore subject to the less demanding commercial speech standard of *Central Hudson Gas & Elec. Corp.* v. *Public Serv. Comm.*, 447 U.S. 557, 561-63, 100 S.Ct. 2343, 65 L.Ed.2d 341 (1980). Here, the portrayal of the Cheers characters is core protected speech: Using Norm and Cliff dummies in a Cheers-themed bar is a dramatic presentation.[8] It's like a play. Cheers may not have the social impact of Hair, *see Southeastern Promotions, Ltd.* v. *Conrad*, 420 U.S. 546, 95 S.Ct. 1239, 43 L.Ed.2d 448 (1975), but it's a literary work nonetheless, worthy of the highest First Amendment protection from intrusive state laws like California's right-of-publicity statute. *See Cardtoons, L.C.* v. *Major League Baseball Players Ass'n*, 95 F.3d 959, 970-72 (10th Cir. 1996). Host did not plaster Wendt's face on a billboard with a Budweiser logo. It cashed in on the Cheers goodwill by creatively putting its familiar mise-en-scene to work. The robots are a new derivation of a copyrighted work, not unlike a TV series based on a movie or a Broadway play based on a novel. The novelty of using animatronic figures based on TV characters ought to prick up our ears to First

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[8] No doubt the decision to put animatronic Norm and Cliff figures in the bars was profit-driven. But that doesn't mean *Central Hudson* applies: The Supreme Court limits the outhouse of commercial speech to pure advertising—speech that does no more than propose a commercial transaction. *Virginia State Bd. of Pharmacy* v. *Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748, 762, 96 S.Ct. 1817, 48 L.Ed.2d 346 (1976); *Nordyke* v. *Santa Clara County*, 110 F.3d 707, 710 (9th Cir. 1997); *Cardtoons, L.C.* v. *Major League Baseball Players Ass'n*, 95 F.3d 959, 970 (10th Cir. 1996).

Amendment concerns. Instead we again let the right of publicity snuff out creativity.

VI

As I noted in *White*, "No California statute, no California court has actually tried to reach this far. It is ironic that it is we who plant this kudzu in the fertile soil of our federal system." 989 F.2d at 1519. We pass up yet another opportunity to root out this weed. Instead, we feed it Miracle-Gro. I dissent.

Copyright Act of 1976 § 301(a), 17 U.S.C. § 301(a) (1994)

Section 301(a) of the Copyright Act of 1976 ("the Copyright Act"), 17 U.S.C. § 301(a) (1994), states as follows:

> "On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State."

Copyright Act of 1976 § 106, 17 U.S.C. § 106 (1994)

Section 106 of the Copyright Act, 17 U.S.C. § 106 (1994), provides in pertinent part that:

> "Subject to sections 107 through 120, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following . . . (2) to prepare derivative works based upon the copyrighted work, ..."

Copyright Act of 1976 § 102(a), 17 U.S.C. § 102(a) (1994)

Section 102(a) of the Copyright Act, 17 U.S.C. § 102(a) (1994), provides in pertinent part that:

> "Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories: (1) literary works, . . . (3) dramatic works, . . . (5) pictorial, graphic and sculptural works, (6) motion pictures and other audiovisual works . . . ."

Copyright Act of 1976 § 103(a), 17 U.S.C. § 103(a) (1994)

Section 103(a) of the Copyright Act, 17 U.S.C. § 103(a) (1994), provides that:

> "The subject matter of copyright as specified by section 102 includes compilations and derivative works, but protection for a work employing pre-existing material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully."

U.S. Constitution, art. I, § 8, cl.

The Copyright Clause of the United States Constitution, art. I, § 8, cl. 8, provides in relevant part that:

> "The Congress shall have Power . . . to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries. . . ."

U.S. Constitution, Amendment I

The First Amendment to the United States Constitution provides, in relevant part, that:

> "Congress shall make no law . . . abridging the freedom of speech, or of the press. . . ."

U.S. Constitution, art. VI, cl. 2

The Supremacy Clause of the United States Constitution, art. VI, cl. 2, provides in relevant part that:

> "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof . . . shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding."